VOLUME IV

(Pages 1562 to 1918)

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1957

No. 348

SOCIETE INTERNATIONALE POUR PARTICIPATIONS INDUSTRIELLES ET COMMERCIALES, S. A., ETC., PETITIONER,

vs.

WILLIAM P. ROGERS, ATTORNEY GENERAL OF THE UNITED STATES, AS SUCCESSOR TO THE ALIEN PROPERTY CUSTODIAN, AND IVY BAKER PRIEST, TREASURER OF THE UNITED STATES.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

PETITION FOR CERTIORARI FILED AUGUST 6, 1957

CERTIORARI GRANTED OCTOBER 14, 1957

INDEX TO JOINT APPENDIX

	Record Page	App. Vol.	App. Page
PERTINENT CIVIL DOCKET ENTRIES		I	2
TRANSCRIPTS OF HEARINGS:			
Transcript of Hearing before Chief Judge Laws, December 3, 1948	43-44	I	21
	47-53	I	22
	61	I	26
	72-73	I	26
Transcript of Hearing before Chief Judge Laws, February 18, 1949	95-96	I	27
	99	I	28
Transcript of Hearing before Chief Judge Laws, April 1, 1949	135-142	I	29
	153-154	I	34
	192-203	I	35
Transcript of Hearing before Judge Morris, November 9, 1949	240-243	I	43
	288-289	I	45
Transcript of Hearing before Judge Morris, November 17, 1949	300	I	46
Transcript of Hearing before Judge Morris, November 21, 1949	303-316	I	47
Transcript of Hearing before Judge Bailey, January 9, 1950	360-368	I	56
Transcript of Proceedings before Special Master, February 17, 1950	418	I	62
	428-434	I	63
	441-443	I	67
Transcript of Proceedings before Special Master, March 1, 1950	506-509	I	68
	514-516	I	71
Transcript of Hearing before Chief Judge Laws, April 18, 1950	600	I	73
	612-614	I	73
Transcript of Hearing before Chief Judge Laws, June 22, 1950	630-635	I	75
Transcript of Proceedings before Special Master, October 28, 1952	870-876	I	79
Transcript of Hearing before Chief Judge Laws, November 18, 1952	968-970	I	84
	1001	I	85

	Record Page	App. Vol.	App. Page
Transcript of Hearing before Chief Judge Laws, November 19, 1952	1027-1031	I	85
Transcript of Hearing before Chief Judge Laws, November 24, 1952	1125-1134	I	88
	1141-1144	I	93
	1156-1159	I	96
	1169-1170	I	97
	1173-1178	I	98
Transcript of Hearing before Chief Judge Laws, November 25, 1952	1301-1306	I	101
	1311-1317	I	104
Exhibit A, Transcript of Proceedings before Special Master, January 8, 1953	1392-1393	I	108
Transcript of Proceedings before Special Master, March 17, 1953	1402-1403	I	110
Transcript of Hearing before Chief Judge Laws, June 15, 1953	1439-1440	I	111
Transcript of Hearing before Chief Judge Laws, October 20, 1953	1447-1496	I	112
Transcript of Hearing before Chief Judge Laws, December 17, 18, 1953	1542	I	146
	1544	I	147
	1547	I	147
ORDERS, PLEADINGS AND OTHER PAPERS:			
Complaint, filed October 21, 1948	1573-1588	I	148
Plaintiff's Motion that Depositions Shall Not be Taken, etc., filed November 5, 1948	1589-1590	I	163
Defendants' Notice to Take Deposition, dated October 27, 1948, filed November 15, 1948	1622-1623	I	164
Affidavit of Olga H. Hoffmann, filed November 15, 1948	1624-1628	I	165
Affidavit of David Schwartz, filed November 15, 1948	1629-1630	I	169
	1632-1647	I	169
Supplemental Affidavit of David Schwartz, filed December 2, 1948	1650-1651	I	184
	1658-1662	I	185
Affidavit of Walter Germann, filed December 2, 1948	1683-1686	I	189
Opinion of District Court (Chief Judge Laws), December 24, 1948	1702-1703	I	193
Order of District Court (Chief Judge Laws), January 5, 1949	1704	I	195

	Record Page	App. Vol.	App. Page
Plaintiff's Motion for Discovery and Production of Documents, etc., filed January 8, 1949	1705-1706	I	196
Defendants' Motion for the Designation of a Judge and for the Production of Documents, filed January 18, 1949	1709-1710	I	197
Affidavit of David Schwartz, filed January 18, 1949	1711-1718	I	198
Exhibit A, Report of the Swiss Compensation Office	1723-1760	I	205
Exhibit B, Report of the Swiss Compensation Office	1761-1787	I	234
Exhibit C, Report of the Swiss Compensation Office	1788-1835	I	262
Supplemental Memorandum in Support of Plaintiff's Motion under F.R.C.P. 34, filed January 25, 1949	1840-1848	I	324
Supplemental Memorandum in Support of Defendants' Motions, filed February 18, 1949	1858-1859	I	329
Cable Filed by Plaintiff, April 1, 1949	1987-1990	I	332
Affidavit of Walter Germann, filed April 8, 1949	1991	I	332
Reply to Counterclaim, filed May 10, 1949	2015-2018	I	333
Opinion of District Court (Chief Judge Laws), June 23 1949	2019-2022	I	335
Order of District Court (Chief Judge Laws), July 5, 1949	2023-2026	I	339
Order of District Court (Judge Bailey), November 7, 1949	2027-2030	I	342
Defendants' Cross Motion Under Rule 37(d), etc., filed November 7, 1949	2033	I	346
Affidavit of David Schwartz, filed November 7, 1949	2041-2046	I	346
Affidavit of Stephen Ranson, filed November 9, 1949	2063-2066	I	352
Telegram Filed by Defendants, November 18, 1949	2083	I	355
Order of District Court (Judge Morris), December 2, 1949	2084	I	355
Order of District Court (Judge Bailey), January 10, 1950	2099	I	356
Defendants' Motion for an Amendment to Order of July 5, 1949, etc., filed January 25, 1950	2100-2101	I	357
Amended Answer, filed January 26, 1950	2157-2178 2180-2184	I I	358 380
Supplemental Answer, filed January 26, 1950	2196-2204	I	387
Plaintiff's Motion to Modify Chief Judge Laws' Order of July 5, 1949, filed February 1, 1950	2208-2209	I	395

	Record Page	App. Vol.	App. Page
Affidavit of Walter Germann, filed February 1, 1950	2212-2213	I	396
Affidavit of Hans Sturzenegger, filed February 1, 1950	2214-2216	I	397
Memorandum in Opposition to Defendants' Motion for an Amendment of Chief Judge Laws' Order of July 5, 1949, filed February 1, 1950	2217-2219	I	399
Order of District Court (Chief Judge Laws), February 14, 1950	2220-2221	I	400
Exhibits to Defendants' Memorandum in Opposition to Plaintiff's Motion etc., filed February 15, 1950:			
Exhibit B: Letter from the Legal Adviser, Department of State, to the Acting Director, Office of Alien Property, February 14, 1950	2233	I	402
Exhibit C: Letter from the Acting Director, Office of Alien Property, to the Assistant Legal Adviser, Department of State, February 7, 1950	2234	I	403
Affidavit of Rene de Graffenried, filed April 18, 1950	2241-2247	I	405
Order of District Court (Chief Judge Laws), April 21, 1950	2248	I	412
Defendants' Motion for an Order Requiring Plaintiff to Produce the Papers of H. Sturzenegger, etc., filed June 22, 1950	2253-2255	I	413
Plaintiff's Motion to be Relieved From the Order of July 5, 1949, etc., filed June 22, 1950	2256-2257	I	415
Defendants' Motion for Relief Because of Plaintiff's Non-Compliance with the Order of July 5, 1949, etc., filed June 22, 1950	2264-2265	I	416
Defendants' Motion to Dismiss for Failure to Produce the Papers of H. Sturzenegger, filed October 31, 1950	2269	I	417
Affidavit of David Schwartz, filed October 31, 1950	2270-2279	I	418
Points and Authorities in Support of Defendants' Motion for Dismissal, filed October 31, 1950	2286-2293	I	427
Plaintiff's Motion for Reconsideration of Motion to be Relieved From Order of July 5, 1949, filed November 28, 1950	2350	I	435

	Record Page	App Vol	App Page
Attachments to Plaintiff's Memorandum, filed December 29, 1950:			
Order of Swiss Federal Attorney, dated June 15, 1950	2380-2381	I	435
Memorandum of Swiss Law	2383-2391	I	436
Defendants' Supplemental Memorandum in Support of Motion for Dismissal, etc., filed January 12, 1951	2392-2399	I	446
Opinion of District Court (Chief Judge Laws), February 19, 1951	2409-2413	I	452
Opinion of District Court (Chief Judge Laws), February 23, 1951	2414-2415	I	456
Order of District Court (Chief Judge Laws), March 1, 1951	2416-2417	I	458
Plaintiff's Reply to Defendants' Counterclaims, filed July 2, 1951	2421-2427	I	459
Defendants' Trial Brief Before Special Master, filed August 22, 1951	2432	I	465
	2460-2462	I	466
Report of Special Master, December 4, 1951	2509-2511	I	468
	2522-2523	I	471
	2531	I	472
	2533-2534	I	472
	2537-2541	I	473
	2544-2547	I	477
	2553-2557	I	482
	2565-2569	I	487
	2571-2578	I	493
	2580-2584	I	501
	2631-2633	I	505
	2637-2649	I	506
Defendants' Motion for Production of Documents, filed February 13, 1952	2690-2691	II	520
Supplemental Report of Special Master, May 31, 1952	2779-2780	II	521
Findings of Fact of Special Master, July 9, 1952	2801-2831	II	521
Opinion of Special Master on Government's Motion for Additional Production of Documents, August 25, 1952	2834-2837	II	550
Defendants' Objections to the Master's Report and Memorandum in Further Support of Defendants' Motion to Dismiss the Complaint, etc., filed September 9, 1952	2842-2844	II	553
	2870-2871	II	555

	Record Page	App Vol	App Page
Exhibit I	3004	II	557
Exhibit 3 to Exhibit I	3006	II	558
Note, Department of State to the Swiss Legation, June 18, 1947	3007	II	559
Note, Department of State to the Swiss Legation, April 21, 1948	3008-3013	II	560
Note, Department of State to the Swiss Legation, July 26, 1948	3014-3018	II	563
Note, Department of State to the Swiss Legation, October 12, 1948	3019-3029	II	566
Defendants' Motion for the Production of the Original Books of I.G. Chemie, filed December 31, 1952	3077-3078	II	572
Points and Authorities in Support of Defendants' Motion for the Production of the Original Books of I.G. Chemie, filed December 31, 1952	3079-3080	II	573
Affidavit of George Elkan, filed December 31, 1952	3081-3106	II	574
Partial Order of Special Master for the Production of Documents, January 19, 1953	3107	II	597
Plaintiff's Motion for Additional Discovery, etc., filed January 29, 1953	3108	II	597
Plaintiff's Motion to Require Defendants to Cooperate, etc., filed February 5, 1953	3111-3112	II	598
Plaintiff's Memorandum in Opposition to Defendants' Motion About Plaintiff's Books, filed February 5, 1953	3117-3118	II	599
Defendants' Supplemental Memorandum in Response, etc., filed February 6, 1953	3119-3121	II	601
Opinion of Special Master on Government's Right to Inspect Third Parties' Documents in Possession of Plaintiff, February 19, 1953	3124-3126	II	603
Opinion of District Court (Chief Judge Laws), February 19, 1953	3127-3132	II	605
Plaintiff's Memorandum Regarding 1600 Documents, filed March 6, 1953	3153-3154	II	628
Affidavit of Walter Germann, filed February 26, 1953	3155	II	630
Opinion of Special Master, March 18, 1953	3186	II	630

	Record Page	App Vol.	App Page
Order of Special Master, March 19, 1953	3187	II	631
Order of District Court (Chief Judge Laws), March 31, 1953	3191-3193	II	632
Order of District Court (Chief Judge Laws), May 12, 1953	3194	II	634
Plaintiff's Motion for Extension of Time Relating to Chief Judge Laws' Order of March 31, 1953, filed June 8, 1953	3195	II	634
Affidavit of John J. Wilson, filed June 8, 1953	3197-3201	II	635
	3205-3206	II	640
	3209-3210	II	642
	3215-3217	II	644
	3221-3224	II	646
	3228-3229	II	650
	3235-3236	II	652
Order of District Court (Chief Judge Laws), June 19, 1953	3238	II	655
Order of District Court (Chief Judge Laws), June 19, 1953	3239	II	656
Plaintiff's Motion for Further Extension of Time Relating to Chief Judge Laws' Order of March 31, 1953, filed July 14, 1953	3240	II	656
Affidavit of E. Wehrli, filed July 14, 1953	3241-3244	II	657
	3248-3250	II	660
Plaintiff's Motion to Vacate Par. 4 of the Order of March 31, 1953, and to Extend Time to Make Further Discovery Under the Order of July 5, 1949, filed October 16, 1953	3251-3252	II	663
Affidavit of John J. Wilson, filed October 16, 1953	3253	II	664
Defendants' Memorandum with Respect to Plaintiff's Motion of October 15, 1953, filed October 16, 1953	3254-3256	II	665
Affidavit of Peider Konz, filed October 20, 1953	3257-3259	II	668
Affidavit of E. Wehrli, filed Octob 20, 1953	3260-3261	II	671
Opinion of District Court (Chief Judge Laws), November 16, 1953	3262	II	672
Plaintiff's Objections to Defendants' Draft of Order of Dismissal, etc., filed November 19, 1953	3263-3266	II	673
Opinion of District Court (Chief Judge Laws), December 21, 1953	3273-3274	II	677

	Record Page	App. Vol.	App. Page
Order of District Court (Chief Judge Laws), December 21, 1953	3275-3276	II	679
Notice of Appeal, filed January 8, 1954	3277	II	680
Statement of Points, filed January 18, 1954	3279-3280	II	681
Plaintiff's Memorandum of February 6, 1953	3504-3505	II	683
Letter, Plaintiff's Counsel to Special Master, January 28, 1953	3506	II	685
Proceedings Before Special Master, March 7, 1951	3623	II	685
Exhibit to Proceedings Before Special Master, April 11, 1951	3715-3721	II	686
TESTIMONY AND EXHIBITS:			
Testimony of Walter Germann Before Special Master—			
Direct Examination by Mr. Wilson	4684-4689	II	690
	4711	II	693
	4712	II	694
	4752-4753	II	694
Cross Examination by Mr. Schwartz	4823-4826	II	695
	4843-4865	II	697
	4897-4907	II	710
Plaintiff's Exhibit 10(a)	4922-4923	II	717
Plaintiff's Exhibit 11(a)	4924	II	718
Plaintiff's Exhibit 12(a)	4925-4926	II	719
Cross Examination Resumed	4939-4962	II	720
	4989-4993	II	737
	5043-5053	II	739
Examination by Special Master	5064-5065	II	747
Examination by Mr. MacCracken, for Intervenor-Plaintiff	5070-5071	II	747
Defendants' Exhibit 1(a)	5082-5085	II	748
Proceedings Before Special Master, July 5, 1951	5354-5355	II	751
	5413-5416	II	753
Deposition of Hans Sturzenegger	6437-6438	II	755
Direct Examination by Mr. Schwartz	6442-6455	II	756
	6456-6457	II	764

	Record Page	App. Vol	App. Page
Deposition of Hans Sturzenegger, (Contd.)			
Direct Examination by Mr. Schwartz (Contd.)	6459-6473	II	764
	6488-6492	II	773
	6506-6544	II	775
	6613-6623	II	798
	6626-6631	II	804
	6658	II	807
	6661-6668	II	807
	6685-6699	II	812
	6716-6717	II	820
	6754-6759	II	821
	6763-6801	II	825
	6809-6827	II	849
	7090-7093	II	862
	7094-7099	II	863
	7105	II	867
	7117-7121	II	867
	7131-7133	II	870
	7178	II	871
	7220-7222	II	871
	7309-7319	II	872
	7491-7495	II	880
	7510-7512	II	882
	7527	II	883
	7539	II	884
	7545-7547	II	884
	7549-7551	II	885
	7557-7584	II	886
	7628-7630	II	903
	7646-7666	II	904
	7731-7732	II	917
	7740-7780	II	918
	7916-7925	II	944
	7954-7957	II	951
	7970-7978	II	953
	7992-8004	II	958
	8013-8029	II	965
	8034-8052	II	974
	8056-8111	II	985
	8116-8152	II	1019
	8158-8164	III	1042
	8187-8188	III	1045
	8206-8211	III	1046
	8225-8237	III	1048
	8238-8240	III	1056
	8243-8246	III	1057

	Record Page	App. Vol.	App. Page
Deposition of Hans Sturzenegger (Contd.)			
Direct Examination by Mr. Schwartz (Contd.)	8303-8304	III	1059
	8440-8470	III	1060
Direct Examination by Mr. McGraw	8623-8625	III	1078
	8663-8666	III	1080
	8686-8692	III	1082
Direct Examination by Mr. Jacoby	8727-8735	III	1086
Direct Examination by Mr. Schwartz	8895-8907	III	1091
	8912-8914	III	1099
Direct Examination by Mr. Jacoby	9021	III	1101
	9038-9044	III	1101
Direct Examination by Mr. Schwartz	9081-9091	III	1105
	9108-9121	III	1112
	9453-9460	III	1121
	9491-9495	III	1126
	9535-9548	III	1129
Direct Examination by Mr. McGraw	9709-9711	III	1137
	9714-9715	III	1138
	9887-9889	III	1139
	9950	III	1140
	9957-9958	III	1141
	10025-10027	III	1142
Direct Examination by Mr. Schwartz	10091-10113	III	1143
	10124-10129	III	1159
	10136-10138	III	1162
	10152-10153	III	1163
	10167-10169	III	1164
	10180-10185	III	1166
	10231-10233	III	1169
	10244-10248	III	1170
Direct Examination by Mr. McGraw	10255-10272	III	1173
	10276-10278	III	1185
Direct Examination by Mr. Schwartz	10332-10355	III	1186
	10362-10364	III	1200
	10404-10412	III	1201
	10443-10451	III	1206
	10506-10509	III	1212
	10557-10578	III	1213
Direct Examination by Mr. Jacoby	10925-10931	III	1227
	11140-11143	III	1231

	Record Page	App. Vol.	App. Page
Deposition of Hans Sturzenegger (Contd.)			
Direct Examination by Mr. Schwartz	11198-11205	III	1233
	11214	III	1238
	11224-11227	III	1238
	11235-11242	III	1240
	11253-11260	III	1244
	11264-11265	III	1248
	11267-11269	III	1249
	11274-11278	III	1250
	11282-11285	III	1253
	11291-11301	III	1255
	11304-11305	III	1262
	11308-11309	III	1262
	11315-11319	III	1263
	11325-11346	III	1265
	11414-11421	III	1279
	11424-11431	III	1284
	11432-11440	III	1288
	11443-11444	III	1292
	11455-11459	III	1293
	11465	III	1296
	11466-11473	III	1296
	11481-11482	III	1300
	11489-11490	III	1301
	11511-11523	III	1302
	11525	III	1310
Direct Examination by Mr. Jacoby	11612-11614	III	1310
	11625-11631	III	1311
	11646-11654	III	1315
	11659-11660	III	1321
Direct Examination by Mr. Schwartz	11820-11822	III	1323
	11830	III	1325
	11852-11869	III	1325
	11922	III	1335
Cross Examination by Mr. Wilson	11956-11959	III	1336
	11964-11983	III	1338
	12019-12037	III	1350
	12044-12120	III	1362
	12128-12153	III	1417
	12157-12160	III	1436
	12162-12191	III	1437
	12195-12223	III	1458
	12243-12262	III	1478

	Record Page	App. Vol.	App. Page
Deposition of Hans Sturzenegger (Contd.)			
Redirect Examination by Mr. Schwartz	12268-12306	III	1492
Recross Examination by Mr. Wilson	12339-12342	III	1518
	12368-12373	III	1520
	12376-12377	III	1523
	12381-12389	III	1524
	12396-12406	III	1529
Redirect Examination by Mr. Schwartz	12430-12431	III	1537
	12461-12465	III	1537
	12468-12476	III	1540
	12488-12492	III	1545
	12503-12524	III	1548
	12526	III	1561
	12552	III	1561
Exhibits to the Deposition of Hans Sturzenegger			
Defendants' Exhibits:			
1	12553-12555	IV	1562
25	12632-12635	IV	1564
27	12643-12648	IV	1567
34	12674	IV	1575
36	12688-12694	IV	1571
37	12700	IV	1583
38	12701-12702	IV	1583
39	12706	IV	1585
40	12708	IV	1586
51	12730	IV	1586
91	12954-12955	IV	1588
92	12956	IV	1589
93	12957	IV	1590
100	12993-12998	IV	1590
133	13159-13232	IV	1597
134, Parts 1-25	13251-13257	IV	1610
	13283-13284	IV	1617
186, pp. 1, 3-5	13500-13504	IV	1619
193, Exhibit D	13552-13553	IV	1623
290	13847	IV	1626
291	13849-13850	IV	1627
292	13852-13853	IV	1628
293	13855-13856	IV	1629
294	13858	IV	1630
372	14061-14076	IV	1631
373	14090-14098	IV	1645

	Record Page	App. Vol.	App. Page
Exhibits to the Deposition of Hans Sturzenegger (Contd.)			
Defendants' Exhibits (Contd.):			
396	14177	IV	1652
397	14179	IV	1653
425	14299-14302	IV	1654
427	14306-14307	IV	1657
430	14316-14317	IV	1658
431	14319	IV	1660
433	14324	IV	1660
435	14329	IV	1661
436	14331	IV	1662
440	14341	IV	1662
469	14423-14424	IV	1663
470	14429-14434	IV	1664
472	14439-14440	IV	1667
480	14464	IV	1668
481	14466	IV	1669
482	14468-14469	IV	1669
490	14502-14509	IV	1670
506	14704-14705	IV	1677
507	14709-14711	IV	1680
549	14867-14870	IV	1683
596	15107-15111	IV	1686
597	15112-15130	IV	1690
618	15229-15232	IV	1701
621	15241-15245	IV	1705
624	15257-15260	IV	1709
640	15352-15363	IV	1712
655	15410-15413	IV	1723
656	15417-15418	IV	1726
662	15436-15688	IV	1728
Charts Attached	15689-15690	IV	1811
Plaintiff's Exhibits:			
11	17174-17181	IV	1813
12	17183	IV	1820
13	17185	IV	1822
14	17189-17191	IV	1823
15	17193	IV	1825
Deposition of Alfred E. Merton			
Direct Examination by Mr. Schwartz	17416-17423	IV	1826
	17428-17429	IV	1831
	17436-17437	IV	1832
	17465-17469	IV	1833

	Record Page	App. Vol.	App. Page
Deposition of Alfred E. Merton (Contd.)			
Direct Examination by Mr. Schwartz (Contd.)			
	17473-17475	IV	1835
	17478-17481	IV	1836
	17485-17493	IV	1839
Direct Examination by Mr. Jacoby	17548-17554	IV	1843
	17567-17568	IV	1847
	17572-17587	IV	1848
	17590-17593	IV	1858
	17616-17620	IV	1860
	17635-17637	IV	1863
Deposition of Rudolf Euler			
Direct Examination by Mr. Schwartz	17754	IV	1865
	17756-17764	IV	1865
	17766-17778	IV	1870
	17791-17792	IV	1877
	17797-17798	IV	1878
	17802-17806	IV	1879
	17838-17847	IV	1882
	17859-17860	IV	1887
	17903-17913	IV	1888
Direct Examination by Mr. Jacoby	17933-17935	IV	1894
Direct Examination by Mr. Yudkin	17965-17968	IV	1896
Cross Examination by Mr. Wilson	17977	IV	1898
	17991-17995	IV	1898
	18006-18008	IV	1900
	18016-18017	IV	1901
	18020-18023	IV	1902
	18035-18039	IV	1904
	18077-18079	IV	1907
Deposition of Josef Schmitz			
Direct Examination by Mr. Wilson	18273-18278	IV	1908
	18282-18284	IV	1912
	18287-18293	IV	1913
	18306	IV	1918

United States Court of Appeals

FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 12140

SOCIETE INTERNATIONALE POUR PARTICIPATIONS INDUSTRIELLES ET COMMERCIALES, S. A. ETC. (I.G. CHEMIE), *Appellant*

v.

HERBERT BROWNELL, JR., ATTORNEY GENERAL OF THE UNITED STATES, AS SUCCESSOR TO THE ALIEN PROPERTY CUSTODIAN, AND IVY BAKER PRIEST, TREASURER OF THE UNITED STATES, *Appellees*

Appeal from the United States District Court for the District of Columbia

---

JOINT APPENDIX

Volume IV

(Pages 1562 to 1918)

~~12553~~

EXHIBITS TO THE DEPOSITION OF HANS STURZENEGGER

Def. Exhibit No. 1

12553 Translation from photostat of German original.

Frankfurt, May 15, 1940
v.R./Z.

[handwritten]

A

submit file May-24
June-7
July-1
July-15
August-1 v.R.

give-to-Berlin

MEMORANDUM FOR THE FILES

Re: Teerfarben A. G. Zurich.

The capital stock of this corporation to the amount of nom. sfrs. 500,000 is held by the I. G. Chemie, Basle. Upon its incorporation, the Teerfarben A. G. remitted sfrs. 450,000 as "security and advance payment of cash proceeds" to the I. G. Frankfurt. For reasons not far to seek the I. G. Chemie does not want to be a stockholder of a pure sales organization of the I. G. Frankfurt. Therefore we suggested to place the shares of the Teerfarben A. G. into the hands of the former and present managers of the Teerfarben A. G. For this purpose, the Teerfarben A. G. shall retain from the cash proceeds now being received, sfrs. 450,000 as reimbursement of the sfrs. 450,000 transferred in advance at the time as "security and advance payment of cash proceeds". Following this, the Teerfarben A. G. will reduce its capital of nom. sfrs. 500,000 to nom. sfrs. 100,000 by acquiring nom. sfrs. 400,000 shares from the I. G. Chemie for the purpose of cancelling

12554 the shares. The I. G. Chemie (Geheimrat Roesch and Mr. Brumm) has agreed to the transaction and declared a rate of 125-150% to be an adequate purchase price for the shares. We would like to concede a rate of 125%

to the I. G. Chemie. Thus, the Teerfarben A. G. would have to pay an amount of sfrs. 500,000 to the I. G. Chemie for nom. sfrs. 400,000 shares. It is in a position to pay this amount after having received back the sfrs. 450,000 from the I. G. Frankfurt. The following gentlemen will thereupon take over the remaining stock of nom. sfrs. 100,000 at 125% from the I. G. Chemie:

		nom. sfrs.	purchase price sfrs.
	Stocker	40,000	50,000
	Bickel	30,000	37,500
	Hahnloser	30,000	37,500
[handwritten]	Siegel	100,000	125,000

As far as the gentlemen cannot raise the amounts out of their own funds, we shall ask the bank Sturzenegger to grant them the respective loans. We want to conclude an oral agreement with the gentlemen on a fixed interest rate of 5 percent, and promise them orally that, at any time, upon their request, we shall take over their shares ourselves or through third parties at the purchase price they themselves paid. In consideration of possible inquiries by the Swiss tax authorities the option granted us usually by the gentlemen shall not be declared to us but to the bank Sturzenegger. Mr. Sturzenegger has declared his agreement.

The undersigned discussed the matter in Basle, Zurich, and in Berlin with Zefi with all the interested parties. As soon as the Swiss clearing office—with which the undersigned negotiated as well—will have given

12555 its consent to the retention of sfrs. 450,000 by the Teerfarben A. G.; the [p. 2] transaction can be carried out. The I. G. Frankfurt has a general foreign exchange permit (IV/18 A reimbursement) covering the repayment of the sfrs. 450,000 transferred in advance.

It was originally provided that, in the next ordinary shareholders' meeting which must take place before July 1, 1940, Mr. Brumm should be elected auditor. However, with

~~12555~~

regard to the intended transaction it seems expedient to have the Swiss citizen Dr. Kunz elected, who was proposed by Mr. Stocker, in lieu of the German national Mr. Brumm.

LEGAL DEPARTMENT DYESTUFFS

[signed] VON ROSPATT

CC: Director Dr. von Schnitzler,
Dept. Switzerland,
Special Bookkeeping
Banking Dept.
Zefi, F. S.

Def. Exhibit No. 18

12595 **[This record page is identical with R. 1639, *supra.*]**

Def. Exhibit No. 25

12632 Translation from typewritten copy of German original

Latin America March 30, 1940 N/Da.

MEMORANDUM

on the discussions in Basle on March 28, 1940 concerning the form of the companies.

At the start our plan was again discussed in detail with Dr. Frank Fahle and Dr. Gierlichs. To make the decision easier for Herr Sturzenegger it was proposed to limit the circle of the agencies in question, if necessary by holding a pool agreement among the shareholders in the case of *Peru* to be satisfactory and by appointing in *Chile* as trustee the law firm of Dr. Linck, of Buenos Aires. Therefore, one would have to look for a trustee only for

Brazil
Columbia
Argentina and
Mexico

this being the sequence of importance to us (first of all with regard to the industrial participations).

Thereafter we got in touch with Herr Sturzenegger alone and informed him about the new plan, referring to the first discussion we had in Basle on March 14th. He declared that neither the I.G. Chemie nor he himself had found a company in Switzerland fit to act as trustee and he could not see such a possibility for the future either. However he deemed it to be

12633 possible on the basis of the new plan to find a suitable attorney or notary public, possibly even several; but under the following conditions:

1.) The financial risk of the trustee would have to be limited as far as possible in the agreement, e.g. in the following way:

a) the company concerned declares its readiness to indemnify the trustee for any possible losses.

b) the trustee is not obligated to pay for a block of shares given to him, until after he has received its value from the new shareholder taking over. (Against both points we have no objections in principle; however the mentality of the present available shareholders and the shareholders possibly entering the picture later has to be taken into consideration, as well as the possible stipulation of the laws of the countries concerned).

2.) That the trustee should have the right (not the obligation) to consult any competent authority about possible questions, arising out of the contractual relationship.

Such a provision would even be welcomed by us (professional secrecy). That the trustee, first of all, would consult Herr Sturzenegger, is obvious because the business would have been obtained from Herr Sturzenegger. (The I.G. shall not appear or be mentioned in any way whatsoever).

~~12633~~

[p. 2] In spite of the guarantees to be provided under (1) above, Herr Sturzenegger is convinced that a trustee who might be found would still demand

12634 financial backing from him. He declared he would be prepared to give such [backing], either through his bank, or another company in close contact with him, if he, in turn, were covered by I.G. or I. G. Chemie.

To clear up this point a meeting with Herr Sturzenegger was agreed upon for the afternoon in the office of I.G. Chemie. It turned out that Herr Dr. Duisberg apparently was informed by the I G. Chemie about the last meeting in Basle on March 14th. Herr Dr. Duisberg was asked by the I.G. Chemie to assist with the discussions in the afternoon so that

Messrs. Roesch
Dr. Gadow
Dr. Sturzenegger
Dr. Duisberg
Dr. Frank-Fahle
Dr. Gierlichs and
myself

were present.

Thereupon, the whole plan was again discussed in detail. Herr Dr. Duisberg, partly supported by the gentlemen of I.G. Chemie, especially by Herr Roesch, advised strongly against carrying it out, since the intended safeguarding would really constitute a deterioration, especially in the case of one of the South American countries entering the war and any investigations resulting therefrom. According to his opinion the only right way would be to pool the shareholders overseas according to his proposed draft and to cut all connections to Europe. Our counter arguments were explained in detail, especially referring to the fundamental difference in the conditions between North and South America.

In the discusions of the afternoon the *loan question* was also

12635 discussed. Herr Dr. Sturzenegger as well as the gentlemen of the I. G. Chemie deem it possible to find a Swiss big bank which would give such loans if it received securities through Sturzenegger. Herr Sturzenegger is prepared to provide such security [Ruckendeckung].

The details of the loan or the transfer were not discussed to avoid further complications.

St. sees no difficulties in assuming a guarantee of the rate of foreign exchange in the form provided in the cases of *Hamers* and *Marquardt*.

If we give him a telephone call, Herr Sturzenegger will immediately look for the trustee or the trustees. But he thinks it might be expedient that prior to calling we give him a new draft, outlined with consideration of the supplementary points mentioned under 1) and 2) above.

Herr Dr. Duisberg is prepared, after his return to New York, to inform Herr Moll of the address of the person or persons designated as trustee or trustees so that Herr Moll can cause the various companies to get in touch with such trustee.

Sgd. Ov.

12643 **Def. Exhibit No. 27**

Translation from a photostatic copy of a German original.

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT,
FRANKFURT (MAIN) 20
Sales Community Chemicals

CONFIDENTIAL!	Our Ref.	Date	Page
[handwritten note]	Wh/Sp.	March 13, 1940	

This memo of which Dyestuffs/Latinamerica has a conform copy is to be treated *strictly confidential* at the express request of Dir. Dr. Overhoff

[handwritten initial]

~~12643~~

MEMORANDUM

Re: Structure of the agencies in Latinamerica.

The negotiations conducted in Florence, Milan and Basle between Kommerzienrat Waibel, Dir. Dr. Overhoff and in Basle with Mr. D. A. Schmitz and Dr. Duisberg and the gentlemen of the I. G. Chemie with Mr. Moll have had the following result:

As recorded in the memorandum for the files on the Frankfurt conference of February 9, 1940, all those present were agreed that a reorganization or liquidation of the agencies, as they are today, would be useless. On the contrary the very fact that today all our agencies in Latinamerica are on the British and French "Black List" forces us to keep them in existence as "lightning conductors." Their disappearance would naturally cause investigations on the part of the enemy to find out who in the respective countries takes care of the I. G. interests afterwards and this could be easily ascertained by the names of the personnel reappearing etc.; in addition there would be almost insurmountable difficulties in the way of liquidation or reorganizafion due to the manifold manufacturing interests of the I. G., Kalle etc. connected

12644 with the agencies in various countries.

Therefore it will be possible to keep up the import from neutral countries in the future even for the present agencies provided that such import is channeled via other unobjectionable and regular intermediary dealers the selection of which was subject of the discussions with Mr. Moll (item 6 of the memorandum about the discussions with Mr. Moll).

On the other hand, it has proved to be expedient to have the set-up of the owners or shareholders of our agencies changed. As a result of the discussions had in Italy and in Basle the following agreement has been reached:

1.) The present agencies remain in existance as such.

2.) Mr. D. A. Schmitz will not continue to be a shareholder in view of the well-known circumstances.

3.) The idea to have him replaced as a shareholder by Dr. Duisberg was given [p. 2] up by Dr. Duisberg himself and in full agreement with him in consideration of the difficulties which would arise in Latinamerica from the mere name of Duisberg.

4.) The blocks of shares becoming available will be placed in Latinamerica proper with Latinamericans.

5.) The individual shareholders will conclude among themselves and with the companies a pool agreement by which they assume the obligation not to let the shares of their company fall into the hands of outsiders. For this purpose they will look for a neutral trust party in Switzerland in which the options for, and the rights of first refusal of, the shares will be vested.

6.) In case such a party cannot be found we would have to be satisfied with

12645 a pooling of the shareholders among themselves. The following proposals for the redistribution of the capital stocks, which, of course, will have to be examined on the spot, were given along with Mr. Moll;

Brazil:

In place of D. A. Schmitz as a new partner: Jose Salgado, a Brazilian, Prokurist for chemicals of Allianca, with contos 300 by way of a loan. Marquardt will be asked to take over himself the balance of his participation amounting to contos 100 not yet paid out of his own funds. Mr. Marquardt applied for Brazilian citizenship.

Argentina:

The participation of the German national Sprung will be taken over by the Argentinian citizen Moll.

The participation of D. A. Schmitz will be taken over by the attorney Dr. Linck or his partner Hosmann who are both Argentinians by birth.

~~12645~~

Dr. Wernicke will resign and will be replaced by attorney Mario Williams.

(If possible, Williams and Linck or Hosmann shall pay for their shares themselves.)

Membership of the Board:

Chairman: Linck in place of Wernicke.

Vice-Chairman: Williams.

Chile:

Replacement of the participation of D. A. Schmitz by 2 new shareholders

1. Mr. Schutz of the paper mill Puente Alto

2. Mr. Werckmeister, Brother-in-law of Mr. Warsitz, both Chilians by birth; if possible they shall pay for their shares themselves; at the same time reduction of the share of Marquardt to Chilian pesos 80,000.

12646 [p. 3] *Peru:*

Replacement of the participation of the German national Dr. Bank by the Peruvian Conroy.

Replacement of the participation of D. A. Schmitz by the Peruvian attorney Lanata.

Membership of the Board:

Chairman: Cornejo

Vice-chairman: Lanata

all of them paying for themselves.

Colombia:

Increase of the company's capital from col. pesos 5,000 to col. pesos 10,000.

Replacement of the participation of D. A. Schmitz by Jorge Bedout, Columbian partner of the Inquico.

Admission of a new partner: M. G. Gonzales (Friend of Weisbach), all to pay for themselves.

(The firm "Induquimica" which was formed in the meantime provisionally by Weisbach through Gonzales without our consent should have lost its justification this way and could be dissolved.)

Mexico:

"Anilinas", payment for their shares by Fischer, Thurmann and Schumacher.

Replacement of the participation of D. A. Schmitz according to proposals still being expected from Mexico.

"Union Quimica". Likewise a telegraphic proposal for the redistribution of the shareholders of this agency for chemical and photo shall be made from Mexico.

12647 The following provisions have been made for the various countries as to the interest guaranteed to the shareholders:

Brazil	8%
All the other countries	7%
Chile (if necessary)	8%.

The complete redistribution of the capital stocks can be seen from *enclosure 1.*

The documents necessary for the reshuffling will be drawn up in Frankfurt.

Cornejo was given permission to find a new suitable office, according to the plan made already before the outbreak of the war.

[signed] WALLOTH

~~12648~~

CHART OF THE TYPES OF COMPANIES, CAPITAL STOCKS AND STOCKHOLDERS OF THE CHEMICAL AGENCIES IN LATIN AMERICA, provided the Reorganization will be carried out as stated sub 4) of the Report.

Capital Stock	Stockholder	Distribution by Nationality	Amount of Participation
BRAZIL			
G.m.b.H.	M. Hamers	German & Brazilian	Rs. 400:000$000 own funds
Rs. 1,000:000$000	J. Marquardt	German/Braz. citizenship applied for	200:000$000) own funds
			100:000$000) " "
	J. Salgado	Brazilian	300:000$000 Loan
ARGENTINA			
Corporation	Mario Williams	Argentinian	a$s 20,000 own funds if possible
a$s 100,000	Dr. C. Linck	"	16,000 " " " "
	F. Ellerhorst	"	16,000 Loan
	A. Moll	"	28,000 "
	Dr. Linck or Hosmann	"	20,000 own funds if possible
CHILE			
G.m.b.H.	J. Marquardt	German/Braz. citizenship applied for	chil.$ 80,000 Loan
chil. $300,000	"	Chilean	110,000 own funds if possible
	Schütz	Chilean	110,000 " " " "
	Werkmeister		
MEXICO			
Dystuff	J. M. Fisher	German	mex. $ 18,500 [?] own funds
agency, mex. $	K. Thurmann	Mexican	5,500 " "
Corp. 50,000	H. Schumacher	Mexican	5,500 " "
	Replacement of Schmitz participation after tel. suggestion from Mexico		
Chemicals	J. M. Fischer	German	25,000) presumably all
agency, Corp.	E. F. Möller	German	7,500) loans. As to
50,000	Th. Leser	German	7,500) change of amounts
	Lic. Ign. G. Gonzalez	Mexican	5,000) cable suggestion
	Lic. C. Torres	Mexican	2,500) by Mexico was re-
	K. Thurmann	Mexican	2,500) quested.
PERU			
Corporation	G. R. Cornejo	Peruvian	$ 16,000 own funds
$40,000	Conroy	"	8,000 " "
	Lanata	"	16,000 " "
COLOMBIA			
G.m.b.H.	Jorge Bedout	Colombian	col. $ 2,500 " "
col. $10,000	E. Weisbach	German	2,500 " "
	Th. Sohm	Chilean	2,500 " "
	M. G. Gonzalez	Colombian	2,500 " "

(p.1572 is Plank)

Enclosure 1

12674 **Def. Exhibit No. 34**

Translation from photstatic copy of a copy of a German letter.

I.G. FRANKFURT

TO: Management Dept. Dyestuffs
Management Dept. Chemicals
Sales Dyestuffs China
Sales Dyestuffs Japan
M/Sy.
Sales Dyestuffs Latin America
Sales Dyestuffs Neth. Indies
Special Bookkeeping
Customers Bookkeeping/Abroad

6 December 1939

Subject: *Remittances from or through U.S.A.*

By request of our Central Finance Administration, Berlin NW 7 you are requested, unless you have done so already, to advise everyone abroad telegraphically that in all remittances which for technical reasons can go by no other way than via New York, for the time being, in no case our name and/or the designation of "Lebab" be used. These amounts should be transmitted exclusively to or in favor of Messrs. Ed. Greutert & Cie, Basel 2, without any further addition (thus neither I. G. nor the name "Lebab", nor the name of the representative or the customer should be mentioned). Furthermore it is not necessary that the representative advises "Greutert" telegraphically; the usual telegraphic notice to Frankfurt is sufficient.

In order to enable us to notify "Greutert" of every transfer executed, and in order to supervise the arrival of funds we require, of course, immediate notice, in duplicate, from each sales department, of intended or executed remittances.

Document was shown to Mr. Rong while he was here on December 8/9.

BANKING DEPARTMENT

Signed ppa. Bangert

December 13, 1939 BANKING DEPARTMENT

(P. 1574 is blank)

~~12688~~

12688 **Def. Exhibit No. 36**

Translation

v. Sz./S. February 2, 1940

MEMORANDUM

on the discussions with Mr. E. K. Halbach in Genoa and Milan from January 22 to 28, 1940.

U. S. A.

The shipments since the outbreak of the war or since the beginning of October 1939, after we had reached an arrangement with the G.D.C. about the mode of payment, all reached New York without difficulty. Only the customs authorities objected because in consequence of a cable from the G.D.C. we had not addressed the barrels as heretofore and had omitted the designation "I.G. Farbenindustrie A.-G."

At the request of ZEFI, we cabled for the f.o.b. and freight costs advanced by us for all shipments made until December 4, 1939, inclusive, to be paid in Swiss francs to Greutert & Cie without mentioning our name. The G.D.C. made these payments promptly; Mr. Halbach pointed out to us, however, that according to the cable of September 7, 1939, we had agreed to sell "f.o.b. against documents and a 5% discount." We must therefore bear the f.o.b. costs ourselves for the present and even for those shipments still lying in Rotterdam and for which the issuance of a certificate was applied for.

Of the orders given prior to November 27, 1939, the following have not yet been executed:

55,200 lb. of a value of $65,255.13;

orders are on hand
from Nov. 27 to
Dec. 4, 1939,
for 617,440 lb. of a value of $796,824.55;
during the time
from Dec. 1, 1939,
we have received
orders until today for
1,910,490 lb. of a value of $2,497,649.90.

12689 Until now we have had no explanation why the G.D.C. gave us such large orders after November 27, 1939, also Mr. Halbach has told us that during the first years of the World War, a Dr. Rainer in New York had brought together a number of American importers who had presented themselves at the State Department in Washington with a request for assistance in importing German goods to the U.S.A. in spite of the British blockade measures. These endeavors were successful at that time and, as a matter of fact, rather large quantities were shipped from Germany to the U.S. on the basis of exceptional approvals. Dr. Rainer now wishes to make the same attempt and this time also has gathered together a number of importers including the G.D.C. The men also conferred with Secretary of State Hull in Washington, who has placed at their disposal one of his officials, Mr. Hunt. Mr. Hunt will be given leave by the State Department for the time of his work on behalf of the American importers, and during the next few days will go to London in order to urge the Ministry for Economic Warfare for an exemption order for all the orders received until now. One of his main arguments will be that the United States is assisting England by its large supplies, and in return must make a demand, namely, to be able to continue importing such products from Germany as are needed by American industry. Even though Mr. Hunt, who during the World War was the liaison man of the State Department in London and is acquainted with most of the authoritive people, has been given leave by the State Department for his stay in London, he nevertheless seems to be authorized to exert a certain pressure as a government official. The men over there do not doubt in at least that it will be possible at least to obtain approval for all the orders given prior to December 4, 1939—that is, the date the blockade decree came into effect—, and hope very much that the other orders will also be approved. The application filed at the State Department in Washington was also supported by one of the most important clients of the G.D.C.

~~12689~~

In general, the present orders are considered as being simply a guide for us to what will be ordered in the future by the G.D.C. If the attempt in London is successful, or if the shipping plan mentioned below should be applied, the G.D.C. will in any event inform us again what products and what quantities are to be shipped.

With regard to the increase in prices, Mr. Halbach informed us that in the United States there was practically

12690 no increase for domestic products and that because of our price increases he was compelled to increase the non-competitive products by 15%. The competitive products, which we had increased by 7½%, could not be increased by him at all, so that this 7½% will be deducted from the G.D.C.'s profit. Those products which we had shipped to him with a 30% price increase must be sold by him at a loss.

Mr. Halbach sees a good possibility for development for benzoic genuine-copper dyes; prices, however, must be reduced by 20 to 25% and, to be exact, those prices which were increased by 15% since the outbreak of war.

Until Dr. Rainer's attempt to obtain exceptional approvals for imports from Germany is finally clarified, Mr. Halbach would not like to consider further any new way of transportation, especially since he has on hand at present the approximate requirement of imported dye-stuffs for one year, and, moreover, since the G.D.C. is rather heavily engaged financially.

Imports since the outbreak of war and payment of the unsettled debt on Sept. 30, 1939, were financed by Mr. Halbach as follows:

One million dollars was taken up at the National City Bank as an open credit,

he remained indebted to G.A.W. for 500,000.00 dollars, and

an additional credit of $300,000.00 was obtained by the G.D.C. from the National City Bank for the credits.

All amounts in excess of the $300,000.00 had to be paid in cash by Mr. Halbach to the National City Bank at the time that the credits were claimed.

In 1939, the G.D.C. had the largest turnover ever realized —that is, $24,500,000.00—as a result of the enormous sales during the months following the outbreak of war. In December, a falling-off in the sales was noticeable.

Shipment via Siberia.

We have submitted to Mr. Halbach our suggestions with regard to shipment via Siberia, which, however, he will not agree to for the present, as he wishes first to await the
12691 success of the action in London. It was not quite clear even to him what technicalities of the transaction would be the most favorable for him; that is, we decided to do nothing more than keep the following possibilities in mind and that Mr. Halbach, upon his return, would send us word by cable in using our private code:

1. Mr. Halbach will check again whether, in case of shipment via Japan to the free port New York, it will be possible to have the customs invoice issued in the United States;

2. in the event that this is not possible, whether he prefers that the customs invoice be issued either in Kobe or here in Frankfurt. In the latter case, we would, if necessary, inform the American Consul in Frankfurt that the G.D.C. had procured an exceptional approval, and say nothing to the Consul about the way of shipment;

3. both Mr. Halbach and we ourselves shall examine the question whether the sale can take place through a Japanese retail firm, in which connection we must find out whether the Japanese foreign exchange laws would permit us to sell a product to a Japanese firm in the free port Kobe and permit this firm to remit to us then the dollar proceeds it receives from the U.S.A. Mr. Halbach will also check how this can be made to harmonize with the Japanese-American commercial treaty.

4. Furthermore, the possibility was discussed whether

~~12691~~

the sale might be made via Mexico—that is, whether we might sell to Mexico and the G.D.C. buy from Mexico.

5. As to the mode of payment, it was agreed that we sell f.o.b. to Vladivostock or Dairen, and therefore that we ourselves bear the freight and insurance costs to these places.+ With regard to the insurance from the seaport to the U.S.A., we called Mr. Halbach's attention to the possibility of insuring with the Assecurazione Generale in Trieste, and at the same time pointed out that because of these insurance regulations the individual shipments in any case will not be very large. Though Mr. Halbach would prefer to insure in the United States, he might possibly make use of the possibility indicated by us and then inform us.

12692 Mr. Halbach intends to order, possibly as a test case for the Siberia route, some intermediate products for ursol dyes through the VERONA firm.

ACNA.

We have informed Mr. Halbach of the possibility that he might buy a number of products from ACNA for which there are already a number of orders at present. In some products these orders were increased by Mr. Halbach.

On January 26th we then conferred with Mr. Giustiani; it is not clear to ACNA itself, however, whether its productive capacity will suffice to supply still further markets. At any rate, a code was given to Mr. Halbach so that future orders can be given ACNA by cable.

Export business of the G.D.C.

The G.D.C. has established an export department, but it manages direct only Great Britain and Canada, whereas it has South America and the other export countries managed through the firm of Fezandi & Sperrle. Since the G.D.C. a. o buys from various American producers, it deemed it advisable in exporting to interpose a retail firm, in order that no difficulties with the manufacturers arise

+ If we sell direct to the G.D.C., no credit will be arranged any longer; instead we shall request the G.D.C. by cable to pay the amount involved for the shipment in question to a place to be named by us.

because of direct exportation by G.D.C. An already existing firm had to be taken, moreover, since an agreement exists between the American dye-stuff dealers and sellers not to admit any new dealers. The firm of Fezandi & Spervle was originally connected with Ludwigshafen in some way.

From the outbreak of war until January 1, 1940, the G.D.C. exported about $250,000.00 worth of products, of which about $150,000.00 was exported to Columbia. Low prices in the various countries cause difficulties in the export business, because the G.D.C., in consequence of the American situation, is not in a position to quote lower prices than on the domestic market. Only the discount of 10% for dealers can be granted in the export trade.

British-India.

After the war began CHEMDYES applied to the G.D.C. for offers. However, as no release had yet been made on our part at that time, no quotation was given. After the release the G.D.C. made quotations, but the prices are above
12693 the British-Indian quotations. Meanwhile, Mr. Richard Metz inquired about offers of his brother, Harry Metz in New York, who asked Mr. Halbach for prices, which were stated to him. Mr. Harry Metz then purchased products from CALCO and offered them somewhat cheaper to CHEMDYES, so that at the beginning the most important supplies were made with Calco products. However, in the future Mr. Halbach will quote the same prices as CALCO.

Canada.

The Consolidated Dyestuff Corporation, Ltd., was immediately taken under control by the Alien Property Custodian, since it was considered "enemy owned." The A.P.C. wrote at once to AXE TRADING with a request to prove beyond question its title to the ownership of the shares. This letter, however, did not reach AXE. In order to continue business without difficulties, the holders of the preferred shares have negotiated with the A.P.C. in order to

~~12693~~

purchase the share capital owned by AXE. A price of $60,000.00 for the nom. $199,500.00 was finally agreed upon, and the old shares were cancelled and new shares issued for this amount. The A.P.C., however, has made it a condition that the men would have to return the shares in case AXE should be able to prove its status beyond question. All participants agreed, because the controller at C.D.C. would be withdrawn and business would have been continued without any control. Only Mr. Ryan made difficulties. He declared that he would buy the shares only if they became unconditionally his property. By this the total sale was wrecked.

The C.D.C. is being supplied by the G.D.C. and also by the Marietta Chemical Co. It may be expected that at least for the time being, business will be maintained, though of course to a lesser extent.

As regards personnel, we were informed by Mr. Halbach that *Mr. Turner,* our best salesman with his large technical knowledge, who was with our Toronto branch, left the C.D.C. and went to Kuhlmann, who in connection with their New York agency, the Fulton Color & Chemical Co., intends to open an agency of their own in Canada. We requested Mr. Halbach to make every effort through the Canadian men to get Mr. Turner back; this may perhaps be not so difficult for the reason that since the outbreak of war, C.M.C. has made scarcely any deliveries to Canada or the U.S.A.

Mr. Pfau is
12694 interned and Mr. Rudolph, although an American citizen, was expelled from Canada and is now in New York.

Mr. Halbach has always emphasized the ideal way in which Mr. John Irwin had served I.G. and its organization, and to such an extent that he had harmed himself, for there is no doubt that Mr. Irwin would have obtained a ministerial post if he had not interceded so much for Germany.

12700 **Def. Exhibit 37**

INCOMING MESSAGE

January 4, 1940

RC4 PRK743 XSX
BERLIN 48 4 1910
LC STANDEVEL NEWYORK

RE USAC SHARES WE HEREBY ASSIGN TO YOU WHATEVER TITLE WE MAY HAVE TO THE ONE HUNDRED SEVENTY USAC SHARES NOW REGISTERED IN NAME OF SIG AGAINST A TOTAL PAYMENT OF ONE HUNDRED DOLLARS PLEASE MAKE PAYMENT TO GREUTERTCIE BASEL IN FAVOUR OF DEUTSCHE LAENDERBANK BERLIN.

ANILINFABRIK

12701 **Def. Exhibit No. 38**

Translation

I. G. FARBENINDUSTRIE AKTIENGELLSCHAFT

To the
Oberfinanzpraesident (Devisenstelle)
Berlin

Berlin NW 7
Unter den Linden 78
May 5, 1942

Central Finance Admin.
Dept. Foreign Exchange
We. 123 Secret

Re: Payment of premiums for transport and war risk insurance

Permit No. 401g/40 Mk file V of Nov. 13, 1941
On the basis of the above mentioned permit we paid to the Italian insurance company

in December 1941	sfrs. 26.518.50
in January 1942	sfrs. 9.158.97
in February 1942	
in March 1942	sfrs. 36.485.81
in April 1942	sfrs. equivalent to $174.16

~~12701~~

We received back:

sfrs. 26.518.50	included in	sfrs. 150.000	credit	Sturzenegger	Jan. 30, 42
sfrs. 1.610.08	" "	sfrs. 29.766.60	"	Laenderbank	July 20, 40
sfrs. 637.51	" "	sfrs. 2.929.71	"	"	Nov. 3, 41
sfrs. 6.951.94	" "	sfrs. 49.925.10	"	Sturzenegger	Dec. 3, 41
sfrs. 3.659.50	" "	sfrs. 125.000.—	"	"	Febr. 27, 42
sfrs. 32.785.75	" "	RM. 80,000.—	"	Laenderbank	Febr. 27, 42
sfrs. 72.163.28					

We enclose the aforementioned credit notes which you will kindly return.

The amount of sfrs. equivalent to $174.16 represents a payment which we made already in May of last year to the Assicurazioni Generali, Trieste, and the repayment of which we reported to you on Nov. 11, 1941, included in $873.27.

We were credited for this payment in New York in June 1941 to our "blocked account" in consequence of the regulations issued then by the USA authorities so that the Swiss bank in charge of the payment could not forward the amount to Trieste. Instead the Deutsche Laenderbank credited us again with this sum according to the enclosed credit note of March 26, 1942, to our blocked dollar account, and we had to make another payment in Swiss francs in order to pay off our debt to the Italian company. Please return this document too after examination.

Heil Hitler.
I. G. Farbenindustrie Aktiengesellshaft
signed Gierlichs Henze

~~12706~~

12702 Oberfinanzpraesident Berlin
Devisenstelle Berlin C 2, May 6th 1942

To I. G. Farbenindustrie AG.
Berlin NW 7
Unter den Linden 82

Re: Report in connection with my permit No. 401g/40 of Nov. 13, 1941; your letter of May 5, 1942.
Sign; Dept. For. Exch. Gen. We. 123 Sec.

I hereby return the documents submitted with the above letter after examination.

By order

7 enclosures

12706 **Def. Exhibit No. 39**

[SCO Exhibit No. 45
Fol. 13673]

THE NATIONAL CITY BANK OF NEW YORK
55 WALL STREET
FOREIGN TELLERS

ADVICE OF DEBIT New York, July 22, 1940
as directed by

[rubber stamp] 71205 26 Aug. 1940

Instructions contained in: Cable July 22

To:
H. STURZENEGGER & CIE., BASLE, SWITZERLAND

Your account has been debited: $2,261,176.30

Value: July 22

For transfer of funds to:
SKANDINAVISKA BANKEN A/B, STOCKHOLM, SWEDEN

For account of: (to be disregarded if not filled in)

THE NATIONAL CITY BANK OF NEW YORK

~~12708~~

12708 **Def. Exhibit No. 40**

Telegram translation.

Receiver: The National City Bank of New York, New York.
Sender: H. Sturzenegger & Cie., Basle
Cable address: Hastureiti
Date: July 22/40.

CODE	TRANSLATED BY:	CHECKING
Peterson 3 rd. ed.		
umkiu	Value Monday this week you will receive for our account $150,000.00 by order of	
xueek	Irving Trust Company, New York.	
ouhmb	Value today	
urs (?) ym	charge our account and credit $2,000,000.00 to the account of	
tkioc	$ 250,000.00	
tjeic	$ 11,000.00	
tioje	$ 176.00	
thiaf	$ .30	$ 2,261,176.30
skandinavbank	Skandinaviska Banken Aktienbolag.	
yejoh	Stockholm	
iecot	without mentioning	
ihaza	our name	
iorhf	notify beneficiary by wire test	

12730 **Def. Exhibit No. 51**

Translation

Copy

Berlin NW. 7, August 29, 1939

To the Reichsbank Directorate,
Attn: Director Treue,
Berlin C. III

Confidential

Reference is made to the oral conversations of the last few days during which we informed you, among other

things, that in view of the political situation we intend to have gold bought against the approximate amount of Sfrs. 20,000,000.00 in our "disposable credit accounts" with Messrs. Ed. Greutert & Cie., Basle, and to deposit it with yourself in the name of Greutert.

We have noted that in view of your own arrangements you consider this transaction undesirable and we have therefore placed the following at your disposal at the Schweizerische National Bank, Zurich.

on August 23, 1939 Sfrs. 5,000,000.00 and
on August 25, 1939 Sfrs. 5,000,000.00.

With reference to our conversation of today we request that you place the equivalent of the above Sfrs. 10,000,000.00 at our disposal on a "free reichsmark-account" at the Deutsche Golddiskontbank, and at the same time approve our acquiring from the Deutsche Golddiskontbank foreign exchange against this free Reichsmark account to the extent of the credit at any time, in order that we may be able to pay with this foreign exchange our raw material imports within the scope of the approval given us by the Reich Ministry of Economics. In this connection, it has been agreed between ourselves that the Golddiskontbank would promptly place at our disposal, in approximate amounts, the foreign exchange demanded, without any further inquiry and without asking for any special approval whatever.

We should be much obliged to you if you would give us confirmation in writing of your consent to this arrangement.

Hail Hitler!
I. G. Farbenindustrie Aktiengesellschaft
Signatures

~~12954~~

12954 **Def. Exhibit No. 91**

Translation

H. STURZENEGGER & CIE.

Basel 2 April 1, 1940
Post Office Box

Telegrams: HASTURBANK
Telephone: 4 18 20
Giro Account: Schweiz. Nationalbank
Postal Checking Account V 3612
Z

CABLE CONFIRMATION

National City Bank of New York,
New York

We confirm our cable of today by which we requested you to credit, to the debit of our account,

$20,000 value April 2

to the account of the Chemnyco, Inc., New York, with you by order of the I. G. Farbenindustrie Aktiengesellschaft Berlin.

H. STURZENEGGER & CIE.
/s/ WERDER MARITZ

12955 COPY

THE NATIONAL CITY BANK OF NEW YORK
TELEGRAPH & CABLE DEPARTMENT

April 1, 1940

H. STURZENEGGER & CIE. Basel, Switzerland

CIPHERS
VALUE TUESDAY THIS WEEK
PAY - - TO - - FOR ACCOUNT OF
$20,000
CHEMNY CO., INC. NEW YORK CITY
INCHEMY C/A
I. G. FARBENINDUSTRIE AKTIENGESELLSCHAFT, BERLIN, GERMANY

HASTURBANK

 Def. Exhibit No. 92

TRANSLATION

H. STURZENEGGER & CIE. Basel 2 June 20, 1940
Post Office Box

Telegrams: HASTURBANK
Telephone: 4 18 20
Giro account: Schweiz. Nationalbank
Postal Checking Account V 3612
CABLE CONFIRMATION

The national City Bank of New York
New York

In accordance with our today's cable you credit/pay to: Chemnyco, Inc., New York, 521 Fifth Avenue, by order of I. G. Farbenindustrie A.G., Zentral-Finanzverwaltung, Berlin, $16,000.00

And to: Hutz & Joslin, New York, 521 Fifth Avenue, by order of I. G. Farbenindustrie A.G., Spezialbuchhaltung, Frankfurt a.M., for patent fees for May $ 5,836.96

$21,836.96

for which please debit us u/a in current a/c.

RS 7/15/40

H. STURZENEGGER & CIE.
/s/ WERDER SUTTER

~~12957~~

12957 **Def. Exhibit No. 93**

TRANSLATION

H. STURZENEGGER & CIE.

Basel 2 June 18, 1940
Post Office Box

VO

Telegrams: HASTURBANK
Telephone: 4 18 20
Giro account: Schweiz. Nationalbank
Postal Checking Account V 3612

CABLE CONFIRMATION

The National City Bank of New York,
New York

We ordered you today by cable to credit Chemnyco, Inc., New York, 521 Fifth Avenue, by order of I. G. Farbenindustrie A.G., Zentral-Finanzverwaltung, per in re memo 41 of April 30, 1940;

$16,000.00

for which debit us u/a in current a/c.

RS 7/15/40

H. STURZENEGGER & CIE.
/s/ WERDER SUTTER

12993 **Def. Exhibit No. 100**

TRANSLATION

I. G. Farbenindustrie Aktiengesellschaft, Frankfurt (Main) 20

"Bayer", Verkaufsabteilung (Sales Division) C 1, Leverkusen

Agfa, Photo-Verkauf Uebersee, (Photo Sales Abroad), Berlin SO 36

Zentralfinanzverwaltung, attention: Mr. von Meister, Berlin NW 7

Verkaufsgemeinschaft Farben (Sales Community Dyes) Division British India, Frankfurt on the Main

Verkaufsgemeinschaft Chemikalien (Sales Community. Chemicals), executive board, Frankfort on the Main,

Zentral-Buchhaltung (Central Bookkeeping Department) Frankfort on the Main.

Legal Dept. Dyes June 15, 1939
v.R/St

Conference concerning British India, held on June 2, 1939.

Enclosed please find a report on the aforementioned conference.

Legal Department.
signed: Dr. Kupper

1 enclosure.

COPY

12994

Berlin, June 12, 1939
Unter den Linden, 82

R. Magener
Mr. Director Dr. G. Kupper
I. G. Farbenindustrie Aktiengesellschaft
Frankfort/M.

Dear Mr. Kupper:

Enclosed I send you a report on the conference of the 2nd inst. In case you agree to the draft I would be grateful if you have it distributed to the interested parties.

Regarding the ozalide plant I have drawn up a supplement protocol which Dr. Weiss will submit to you for your signature.

With kind regards
Sincerely yours,

signed R. Magener.

Enclosure

~~12995~~

12995 Ma/Ss.

REPORT

ON THE INDIA CONFERENCE IN FRANKFORT (MAIN) ON JUNE 2, 1939.

Present the following gentlemen:

Brehm, Amsterdam,
Dr. Kupper,
Dr. von Rospatt,
Dr. Secherling,
Seyd,
Bassler, all Frankfort,
Tessmar, Leverkusen,
Dr. Deissmann, Berlin S.O. 36
von Meister,
Gierlichs,
Henze,
Dr. Magener, all Berlin N.W. 7.

1) *Possibilities of a further improvement of the India construction.*

Whereas it can be assumed that the construction chosen for the Indian companies grant sufficient protection against the tax risk there still remains some misgiving that in the case of political entanglements the connection between the Indian companies and the I.G. becomes apparent by a traceable chain of agreements leading from the companies via the trustees and lenders to the I.G. For this reason it seems expedient to interrupt this chain of trust in between so that either the connections are effaced by the insertion of anonymous shareholders or that no agreements at all are concluded between the I.G. and the lenders most closely connected to it.

The proposals made by Mr. Brehm in a memo for the files are discussed in regard to their usefulness in the case of British India.

These proposals have the general tendency to place the

Indian shares in Holland in such a way that the interested parties behind it do not become apparent. This can be effected by:

a) transfer of the shares to a joint stock company dealing with the investment of securities; the shareholders of the joint stock company do not need to be known because bearer shares are issued.

b) deposition of the Indian shares with a trustee who issues certificates made out to bearer for them;

c) bringing the shares into a (collective) custodianship (bleggings depot) for which certificates of participation made out to bearer are being issued.

12996 The first objection against such a construction and its different varieties is that the basic idea of the private limited company is not compatible with an anonymity of the shareholders. Eventually the necessity would arise to disclose the real shareholders so that ultimately the Indian companies would have to produce the evidence. Furthermore it would be necessary to equip the Dutch party with values as different as possible to give it the appearance of a credible trust. This could only be achieved by accumulating other foreign values belonging to us. Such a procedure however seems unfeasible to us in regard to the concentration of risks which would be the consequence. Finally thus the problem of passing on the surplus dividends would remain unsolved too. This way seems to be inexpedient for the Indian companies also because it would cause a far-reaching change of the distribution made before and this sudden change into a trust would arouse the suspicion of a trusteeship.

Therefore, it is taken into further consideration whether the option agreements projected between the I.G. and the lenders so far should not be given up, the loan agreements however should be maintained in such a way that the trustees should be entitled in the case of a withdrawal of the loan to pay off the loan by the delivery of their shares. This idea

is rejected because on the one hand it still requires a connection with the I.G., on the other hand it does not represent a sufficient security inasmuch as the receivers of the credit are free to procure the money to repay the loan from other sources in the case of withdrawal and can thus keep their shares. Also a pool agreement which could be concluded between the shareholders with the provision that the shares have to be offered to the other shareholders first would not give a sufficient security to the I.G.

The result of the discussion was therefore that the best form of a security would be not to conclude any or any direct agreements between the trustees and the I.G. In order to protect the I.G., in this case too a third party on which the trustee exercises decisive influence shall always assume the obligations toward the I.G. to see to it that the shares are not sold to a person not agreeable to the I.G. and that in addition the exercise of all the rights originating from the holding of the shares is done in such a way as to regard the interests of the I.G. (written: and that the shareholders have to sell their shares at any time to the I.G. at a fixed price).

2) *Further protective measures in regard to lenders and shareholders.*

a) *Lenders.*

On the basis of the idea that the Havero and the Mapro are the two most important connecting members to the I.G. in the trust construction it is proposed to place the intended cut between them and the I.G. Instead of direct agreements made by the Havero the Unitas shall assume the obligation toward the trustees to safeguard the rights of the I.G. The wording of the declaration to be made by the Unitas shall be adapted to the wording of the drafts which were projected for the direct agreements with the trustees
12997 themselves. As to the Mapro complex we shall desist from any formal agreements at all in consideration of the fact that the banking house Greutert holds the

majority (crossed out and written on top: the decisive influence) of the Mapro.

Whereas an examination of the books of the Havero would not show any direct relations to the I.G. a similar examination of the Mapro would show that its Indian shares have been financed by a loan of the I.G. Therefore it is considered desirable that the means necessary for the Mapro are made up of partial amounts of the Koopmansbank, Greutert and if necessary of the I.G. also. Additional costs will arise by this insertion of the banks, but they are unavoidable and have to be considered as premium for risk. Originally the rate of interest for the loans to be granted to the Mapro should correspond to the rate of dividend distributed by it and should only be determined after the balance sheet of the Indian sales companies has been presented. Since such a procedure of determining the interest is unusual a rate of 3% p.a. shall be fixed till June 30, 1940, for the Mapro. A compensation for a net dividend exceeding this rate of interest can be found later by way of a commitment commission for the next year. Since the Koopmansbank as well as Greutert are shareholders of the Mapro the granting of blank credits by these banks may appear unobjectionable to the outside. But on the other hand a way has to be found to protect the credit accounts of the I.G. with these banks deriving from the credits to the Mapro against a seizure or sequestration by third parties. It has to be examined which way appears to be the most practical for it—e.g. the opening of an irrevocable (letter of) credit with these banks to the favor of the Mapro (without informing the Mapro), a credit order to these banks or the giving of the I.G. credit accounts in pledge as a security for the credits.

b) *Shareholders.*

Chemdyes Limited.

Havero-group: The trust participation of the Unitas shall be transferred to another suitable company of the Havero group.

12997

Manager: After three of the managers already got rid of their share holdings except for a qualification share it can be assumed that Mr. Kreczmer too although in the possession of a Nansen passport will prefer to get rid of his trust participation in the same manner. (Written: In regard to the qualification shares no arrangements shall be made with the shareholders.)

I.G. Group: The option and sales offer agreements of the persons holding trust participations with the Mapro shall expire.

The agreements between the shareholders and the I.G. for genuine participation have to be dissolved. The own participation of Count Schimmelpenninck in the amount of Rs 50.000.- shall be converted into a trust participation, because in the case of the conclusion of such an agreement for safeguarding the transfer claim of the I.G. an obligation of the Mapro would be created.

12998 *Axe Trading:* The attempt shall be made in agreement with Greutert to induce the gentlemen of the Axe to renounce the conclusion of such an agreement. The basis for the participation of the Axe was at that time the sales offer agreement with the I.G. which in case of war should be of a very dubious value anyway.

Mapro group: Nothing to be undertaken (see under a).
Bayer Remedies Ltd. and Agfa Photo Co. Ltd.

The safeguarding of the I.G. in regard to the trust holdings of the Havero, I.G. and Mapro group shall be effected in the same way as in the case of Chemdyes.

The option and sales offer agreements for the managers who are German Nationals shall be destroyed. In regard to their share holdings the Unitas shall undertake the same obligation as for the Havero group. (This last paragraph has been changed by hand into: The managers who are Germans shall conclude the option and sales offer agreements with the Havero.)

The Bayer Remedies has no shareholders who have participations by their own means; in the case of the Agfa

Photo these are the Axe Trading Co., London, Mr. Tanger, Arnheim, Mr. Percy, London, and the Axe Trading Co. Only with Mr. Tanger so far an option and sales offer agreement has been concluded which shall be cancelled too; the respective negotiations are conducted by Mr. Deissmann. For the Agfa Photo Co., London, a special security is not necessary. Mr. Percy has included into his will a clause granting to the I.G. a right of preemption on his share holdings at the purchase value in the case of his death. In regard to the share holdings of the Axe the same can be said as in the case of Chemdyes Limited.

13159 **Def. Exhibit No. 133**

Copy

ROBERT CORTI
FRIEDRICH T. GUBLER
Rechtsanwalte
II/G
Winterthur, 22 June 1949
Stadthausstrasse 18/II

BIPARTITE CONTROL OFFICE
I. G. Farben Control Office
U.S. Element.
CENTRAL FINANCE AND ACCOUNTING SECTION
FRANKFURT (Main)
28, Mainzerlandstrasse

SUBJECT: Deutsche Landerbank.

Dear Sir,

On August 7th, 1948, I acknowledged receipt, on behalf of my clients, Interhandel and H. Sturzenegger & Cie., Basle, of your letter of the preceding July 27th addressed to H. Sturzenegger & Cie., and I stated that I should again communicate with you regarding the subject matter of your letter. This I did preliminarily by my letters of August 24th and December 23rd, 1948.

~~13159~~

We have examined the report of Mr. Fritz Mahr and should like the opportunity, should we desire to avail ourselves of it, of making comments upon this report in a separate communication later on.

It is noted that you state that the D.L.B. was seized under Allied Control Council Law No. 9, which, you state, provided that all assets of I. G. Farben or "its owned or controlled companies" were to be vested in the Council. In this connection, may I repeat my earlier requests that you provide us with a copy of the decision of the Allied Control Council, acting under Law No. 9, with relation to D.L.B. which apparently places the D.L.B. in the category just stated. Also, does such a determination state facts which formed the basis for the decision that D.L.B. should be liquidated?

We have particularly noted the contents of the third paragraph of your letter in which are stated the grounds, or some of them, relied upon, by the U.S. Control Officer for his urging the early liquidation of the D.L.B. May we take the liberty of stating at this point that we take issue with these claims and trust that we may be afforded ample opportunity to demonstrate that there are cogent reasons why the D.L.B. should not be liquidated upon these or any other grounds? It is our con-

13160 tention that the D.L.B. acted in the normal and usual capacity of a banking institution in the instance outlined in your letter, and that in this respect its conduct was not different from that of other banks in Germany. While Farben may have been its principal customer, it had many other clients, and it should not be condemned because of this fact.

At this moment we wish to record our general position to be that the D.L.B. is, and for many years has been Swiss controlled and predominantly owned, and upon the establishment of this fact, as we are confident we can do, we submit that the fact that certain German institutions were its customers becomes entirely immaterial.

In other words, it is our position that the D.L.B. should

not be liquidated under Allied Control Council Law No. 9, or under any other procedure, but that the ownership of the bank should be restored to Swiss hands. We don't wish merely to have our claims of ownership adjudicated in the course of liquidation and we respectfully and formally protest against such action. We should like to assure you, however, that upon such restoration, we would be both anxious and willing to synchronize the operation of the D.L.B. in harmony with the general objectives of the Allied Control Council.

Having stated generally our position, we shall now undertake to supply you with the information which you seek in paragraphs 5 and 6 of your letter. We wish to assure you of our willingness to provide all proof which you seek and which we may be able to supply, since it is our desire to have the D.L.B. removed from the category in which it now appears to stand from the contents of your letter.

As we interpret the inquiries listed under paragraph numbered 5, you are seeking evidence with relation to the question as to whether the firm Greutert/Sturzenegger purchased and held the D.L.B. shares for a syndicate rather than for their own account. We have not hesitancy to make available to you whatever documents and records we may have pertaining to the purchase of D.L.B. shares from time to time over the years, but we gather from your sub-inquiries that the matter of the acquisition of these shares *for the personal account* of the firm is your principal concern. Based upon this interpretation, we set forth in the following an explanation which reflects the time and manner of the acquisition of these shares for the own account of the firm Greutert /Sturzenegger.

From the beginning of the acquisition in 1923 of D.L.B. shares by Ed. Greutert & Cie. and continuing up until November 1929, it could be legally contended that the

Greutert

13161 firm was the sole and absolute owner of such shares.

This comes about by reason of the fact that as the

result of the ordinary and typical banking relationship (creating the relation of debtor and creditor) the desposited funds were at the unrestricted disposal of the Greutert firm for such investments or participation as might be chosen. During this period the segregation or allocation of the securities in accounts called consortia was simply for the bookkeeping and accounting convenience of the firm, and this was so even though a consortium may have borne a description or title seeming to relate to one or more of the firm's business associates.

That which has been stated in the next preceding paragraph is intended to be generally descriptive of the treatment and handling of the D.L.B. shares by the Greutert firm from the time when it began to deal in them in 1923 until November 1929. However, in view of the manner of bookkeeping and of the fact that many of the acquisitions were the result of the use of funds deposited by others, we abstain for the time being from trying to satisfy the demand of item 5b of your letter of July 27, 1948 during this era, as we can establish the firm's own ownership at a later date without the necessity or relying upon the above-referred to premise.

Taking up the second era beginning with November 1929 (which marked the completion of the creation of I. G. Chemie—now known as Interhandel) and concluding with December 1937, the use of accounts under the title of consortia was gradually abandoned and during this period the accounts were designated as sekretariats. However, this was not a mere formal change but was contemporaneous with the *ownership* of the D.L.B. shares in common (but not in equal portions) between the Greutert firm and Interhandel. During this period, the collaboration between the Greutert firm and Interhandel arose from the pooling or mutual investment of their own respective funds, as distinguished from the supplying of funds to the firm Greutert through deposits which constituted merely the ordinary debtor-creditor relationship, as referred to above. In other

words, as to this era, we could satisfy the demand of item 5b of your letter as to an undivided and indistinguishable portion of the D.L.B. shares, but here again we shall postpone this position as an adequate answer to the item in question in favor of the third era which we shall next outline.

An important occurrence happened during the second era which should be mentioned at this point. In 1934, the balance was paid upon the 25% D.L.B. shares. The money for this purpose was provided from funds owned in every sense of the word by the Greutert firm. And this event represented

13162 the investment of the greater portion of the par value of the D.L.B. shares, since at that time approximately RM 3'750'000 were paid in to make fully paid shares having a par value of RM 6'282'420.

Beginning in December, 1937, which we shall call the third era in our relationship to the D.L.B. shares, the indistinguishable ownership of the Greutert firm and Interhandel in the D.L.B. shares which then aggregated RM 6'282'420 par value, was eliminated, and the respective interests of the two were separated, the former thenceforth holding RM 4'282'420 and the latter RM 2'000'000. In April 1939, the firm Greutert acquired RM 100'000 par value additional shares with its own funds from Frau Bolongaro, bringing its holdings up to RM 4'382'400.

Prior to the separation of the common ownership of the Greutert firm and Interhandel in the D.L.B. shares, it will be remembered that they were carried as subject-matter of accounts called sekretariats and the apparent ownership was recorded as therein on the books of the Greutert firm. At the time of the division of the ownership between the Greutert firm and Interhandel, the credits of Interhandel on the books of the Greutert firm were debited to pay for its portion of the shares, and the securities' accounts of the firm Greutert reflect the transfer of ownership of the firm's interest to itself from the sekretariats.

In August 1942, the respective holdings of the Greutert

~~13162~~

firm and of Interhandel were increased fifty percentum (50%) by the capital adjustment of the Deutsche Landerbank. These additional shares were issued *gratis*, and consequently there was no cash disbursement needed to acquire them. The result then was that the firm Greutert owned RM 6'573'000 and Interhandel RM 3'000'000, and this status continued up to the latest date to which your interest extends, as indicated in your letter.

As to the request contained in paragraph numbered six, there is enclosed herewith copy of letter dated October 7th, 1948 which the Swiss Compensation Office has sent us to give you a resume of participations in the firm Greutert/Sturzenegger from 1920 through 1944.

For documentation of the details sought in paragraph numbered five, there is enclosed herewith a group of photostats, according to the annexed list.

I wish also to acknowledge the receipt of your somewhat critical letter of January 14, 1949, which letter, I submit, is now fully answered herein. However, upon the question of

13163 delay, may I remind you that the request contained in my letters of August 24th and December 23rd, 1948, and repeated hereinabove, for certain information, has not been acknowledged by you.

Adverting, again, to your letter of January 14, 1949, I regret to note the statements therein, even though possibly made only tentatively, which seem either to prejudge my client's status or to try to relegate the questions to the U.S. Federal Courts. Nevertheless, I do appreciate the statement contained in the last paragraph of your letter regarding the giving of full opportunity to us to present our evidence.

Trusting that we have now supplied you with all necessary details for favorable action, I am

Encl.

Very truly yours,
Sig.: Dr. F. T. Gubler

13188 **Def. Exhibit No. 133, Attachment 2**

7/31

BADISCHE ANILIN & SODAFABRIK, LUDWIGSHAFEN

			Rentem Marks	
1923				
Dec. 31	Reimbursement Delbrück RM. 1,397,655,000,000 Sept 15 23 Epoche			64,935.30
" "	Capital balance RM. 1,389,798.85 Dec. 31, 115		1,459,288	
" "	Installment payment Dec. 31		235,907	1,397,022.60
" "	Balance to be carried forward Dec. 31			
			1,695,195	1,461,157.90
June 30	Balance carried forward	June 30		1,424,963.55
				1,424,963.55

13189

1923						
Dec. 31	From M. 5,000,400 Anilin Shares	Dec. 15	23	90	189,015.—	210,016.80
" "	" M. 22, 646,600 div. shares	"	"	" "	856,041.—	951,157.20
" "	" units 50,000 Dtsche Lderbk	June	21	84	180,567.—	214,960.60
" "	" part-payment on 175,000,000	"	23	82	1,873.—	2,284.70
" "	" " " " "	"	28	77	43,118.—	55,998.60
" "	" " " " "	"	29	76	1,667.—	2,190.30
" "	" " " " "	July	27	48	8,631.—	17,960.45
" "	" " " " "	Aug.	6	39	64.—	165.50
" "	" 4% interest	Dec.	31		650,139.—	7,223.75
					1,695,195.—	1,461,957.80
1924						
Jan. 1	From balance carried forward	Dec.	31		RMk.	1,397,022.60
June 30	" 4% interest for 180 days	June	30		"	27,945.45
						1,424,963.05
1924						
July 1	From balance carried forward	June	30		RMk	1,424,963.05

~~13190~~

13190-13191

Def. Exhibit No. 133, Attachment 3

Copy

Translation.

24th October, 1924

Badische Anilin & Soda-Fabrik, Ludwigshafen a.Rh.,
Mannheim.

We have the honour of sending you the statements of your accounts with us closed to
30th June, 1924, with
RM. 1,124,963.05 in your favor RM account. We request you to examine this and to confirm its correctitude to us by signing and returning the formula below. At the same time we take the liberty of bringing to your notice the general terms for business transactions with our clients overleaf.

Yours truly,
[Ed. Greutert & Cie,]

13197 **Def. Exhibit No. 133, Attachment 5**

Copy

Translation.

9/30

1923 Ammoniakwerk Merseburg Ltd.

		RM a/c
Dec. 31 Balance carried forward	Dec. 31	199,953.45
		199,953.45
1924		
June 31 Balance carried forward	June 30	203,952.50
		203,952.50

13198

Copy

Translation.

Rentenmark A/c
Mannheim

1923		RM a/c
Dec. 31	From part-payment on 175,000,000—	
	Landerbank shares June 28)	195,990.10
" "	" 4% interest 182 days Dec. 31)	3,963.35
		199,953.45
1924		
Jan. 1	From balance carried forward Dec. 31	199,953.45
June 30	4% interest 180 days June 30	3,999.05
		203,952.50
July 1	From balance carried forward June 30	
	RM	203,952.50

July 24

13210 **Def. Exhibit No. 133, Attachment 10**

Copy

Translation

Month	Day		Amount	Days int.	% of int.	Debit Amount of Int.	Credit Amount of int.	int
March	25	C	1,300,000.—	2			26,000	
	27	C	9,544.50					
		C	1,309,544.50	7			91,668	
April	4	C	15,231.40					
		C	1,324,775.90	11			145,725	
	15	C	2,957.60					
		C	1,327,733.50	24			318,656	
May	9	C	800,000.—					
		C	2,127,733.50	213			4,532,071	
Dec.	12	C	47,250.—					
		C	2,174,988.50	588			12,789,900	
1926								
July 31	int.	C	248,653,—	845	.5%		17,903,020	248,6
		C	2,423,636.50					

~~13220~~

13220 **Def. Exhibit No. 133, Attachment 15**

Copy
Translation.

HEYDTKONTOR LTD.
Reichsbank current account: BERLIN
Post cheque account: BERLIN 54559

BERLIN NW 7, 22nd December 1925
Neustadtische Kirchstr. 9
Tel. Zentrum 6552-6553

Messrs.
Ed. Greutert & Co.,
Basle 10

Second rounding-off of your deposit
We are sending you the following statement referring to:

	transferred to you	to your DEBIT
Rmk. 6.66 Deutsche Landerbank shares		
rate 120%		8.—
	M	8.—
Brokerage		
Stamp		.10
Commission		
Account	*Value 22.12.25* M	8.10

We have credited your deposit account for the units.

Yours truly,
HEYDTKONTOR LTD.
sig.

M. —. 10 Reich Stamp Duty
on account-proceedings
calculated on 22/12 No

13222 **Def. Exhibit No. 133, Attachment 16**

Copy
Translation.

AMMONIAKWERK MERSEBURG
Limited Liability Company
BERLIN NW 7, 30th July, 1926
Unter den Linden 78

Telegraphic address:
Batestick Berlin

Department
Quote in reply

Firm
Ed. Greutert & Co.
Basle.

We are selling you as arranged
RM. 3,340,000 Deutsche Landerbank shares
25% paid up, at a rate of 100%, amounting to RM. 835,000.—
plus sales note stamp RM. 626.25
RM. 835,626.25

in words: eight hundred and thirty-five thousand, six hundred and twenty-six Reichsmarks, 25 Pfg. for which you will credit us.

We are placing the units at your disposal with the Deutsche Landerbank in Berlin.

Yours truly,
AMMONIAKWERK MERSEBURG
Limited Liability Company
sig. H. Schmitz sig. Roesch

13226 Def. Exhibit No. 133, Attachment 18

Copy
Translation.

HEYDTKONTOR LTD.
Reichsbank current account: BERLIN
Post cheque account: BERLIN 54559

BERLIN NW 7, 30th Sept, 1929
Tel.: Zentrum 6552-6553
Unter den Linden 78.

Messrs.
Ed. Greutert & Co.
Basle

Acting on your instructions we are sending you the following statement referring to:

transferred to you		to your DEBIT
RM. 406,620.—Deutsche Landerbank shares rate		
124,036		504,357.—
	M	504,357.—
Brokerage		
Stamp		189.15
Commission		1,008.80
Account *Value 28.9.29*	M	505,554.95

We have credited your deposit account for the units.

Yours truly,
HEYDTKONTOR LTD.
sig.

M. 189.15 Reich Stamp Duty
on account proceedings
calculated on 30.9 No. 102

13232 **Def. Exhibit No. 133, Attachment 21**

Copy
Translation.

HEYDKONTOR LTD.

BERLIN NW 7, 25th Nov. 1930
Neustadtische Kirchstr. 9
Tel.: Zentrum 6552. 6553

Messrs.
Ed. Greutert & Co.,
Basle

Acting on your instructions we are sending you the following statement referring to:

	transferred to you	to your DEBIT
nom. RM. 56,640.—Deutsche Landerbank shares rate 138%		76.163.20
nom. RM. 51,100.—Deutsche Landerbank shares rate 138%		32.195.—
		M 110,336.20
	Brokerage	
	Stamp	41.40
	Commission	
Account	*Value 31.10.30*	M 110,397.60

We have credited your deposit account for the units.

Yours truly,

HEYDTKONTOR LTD.
sig.

M. 41.40 Reich Stamp Duty
on account proceedings
calculated on 25.11. No. 89

~~13251~~

PART B 1

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/1/

7/40 14	Elbe Kons. RM Account	June 21				
7/31	to Badische Anilinfabrik RM Account	June 21 '29				
	Reimbursement Deutsche Laenderbank for 50000 Deutsche Laenderbank shares		214,960.60	"	264,401.5
	Commission Account		537.40	"	661.—

PART B 2

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/4a/

7/40 16	Elbe Kons. RM Account	Aug. 25 '23				
7/33	to Heydtkontor "					
	25000 Deutsche Laenderbank shares		13,387.50	"		
	Commission Account ¼% Commission		33.50			
			13,421.—	"		16,507.3

PART B 3

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/5/

7/40 14	Elbe Kons. RM Account					
7/30	to Ammoniakwerk Merseburg	June 28 '23				
	Partial payment on 175,000,000 Laenderbank shares		195,990.10	1.23		241,067

PART B 4

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/5/

7/40 14	Elbe Kons. RM Account				
7/31	to Badische Anilinfabrik RM				
	Partial payment 175,000,000				
	Laenderbank shares	June 23 '23	2,284.70		
	" " "	June 28 "	55,998.60		
	" " "	June 29 "	2,190.30		
	" " "	July 27 "	17,960.45		
	" " "	Aug. 6 "	165.50		
			78,599.55	"	96,677.4

PART B 5

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/6/

76 14	Elbe Kons. $ Account					
49	to Heydtkontor Dollar Account					
	Equivalent gek[?] MK 17,000,000.00 Elbe shares	June 23 '24	24,000.—	$ 20		124,800.-
		June 28 "	10,000.—	"		52,000.-

Part B 6

Translation of Photostat of Journal of Greutert

/6a/

10 18	20	Elbe Consortium Mark Account to Heydtkontor Mark Account 53% payment on Marks 1400 Mill. Laenderbank shares	Dec. 31 '24	742,000.—	"	916,370.—

Part B 7

Translation of Photostat of Journal of Greutert

/7/

10 13	20	Elbe Consortium Mark Account to Heydtkontor Mark Account				
		Compensation Fugger Handels A.G.	Mar. 25 '24	1,300,000.—		
		" " "	Mar. 27 "	9,544.50		
		" " "	Apr. 4 "	15,231.40		
		" " "	Apr. 15 "	2,957.60		
		" " "	Dec. 12 "	47,250.—		
		" " "	May 9 "	800,000.—		
				2,174,983.50	1.23½	4,686,104.60

Part B 8

Translation of Photostat of Journal of Greutert

/13/

150 176a	14	Elbekonsort. $ Account to N. V. Nederl. Maatsch. Amst. $ Account	July 25 "			
		Compensation NV Nederl. Maatsch. Amst.		$ 6,660.—	5.18⅛	34,284.05
		to Commission Account Commission ¼%		" 16.55	"	35.75

Part B 9

Translation of Photostat of Journal of Greutert

/16/

30a 12a	30	V. R. Consortium Mark to Ammoniakwerk Mark Account	June 30			
		Marks 3,340,000.— Laenderbank shares 25% paid in		Marks 835,626.25		1,027,402.45
		to Commission Account Commission		1,670.—		2,053.25
				Marks 837,296.25	"	

13253

PART B 10

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/18/

916 21	Sekretariat "A"		Sept. 28			
93	Reichsmark					
	to Suspense Account					
	RM 406,620.— Laender-bank shares					
	RM 36,800.— ditto new shares			RM	525,105.50	
	interest from Oct. 1, 1928-Sept. 28, 1929			"	27,298.20	
				RM	552,403.70	123.22 680,571.35
	to Commission Account					
	Commission			"	1,309.65	123.22 1,613.25
				RM	553,713.35	

PART B 11

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/19/

91	Sekretariat "A"	RM				
79	to Heydtkontor	RM	Oct. 1			
	RM 11,100.— Deutsche Laenderbank shares					
	RM 11,000.— ditto new			RM	36,085.35	123.22 44,464.35
	to Commission Account					
	Commission			"	68.55	" 84.95
				RM	36,153.90	

PART B 12

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/21/

96 27	Sekretariat "A"	RM	May 31			
85	to Heydtkontor					
	RM 107,740.— Deutsche Landerbank shares			RM	110,397.60	
	to Commission Account					
	Commission				275.90	
				RM	110,673.50	122.90 136,017.75

PART B 13

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/22/

96 31	Sekretariat "A"	Mark	Feb. 27			
111	to Geheimrat Schmitz	Mark				
	Marks 140,000.— Laender-bank shares 25% paid in			Marks	74,014.50	
	to Commission Account.					
	Commission				185.50	
					74,200.—	122.80 91,117.60

PART B 14

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/22a/

23	31	Sekretariat A	frs	Dec. 27			
32		to Prof. Bosch	frs				
		Marks 100,000.— Deutsche Laenderbank shares			Marks 127,680.—		
		to Commission Account Commission			320.—		
					Marks 128,000.—	122.70	157,056.—

PART B 15

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/22b/

96	31	Sekretariat A	Marks	Dec. 27			
111		to Dr. Schmitz					
		Marks 100,000.— Deutsche Laenderbank shares			Marks 127,680.—		
		to Commission Account Commission			320.—		
					Marks 128,000.—	122.80	157,180.—

PART B 16

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/23/

10	31	Eidgenoss. Zurich	Reich-marks	Feb. 21			
96		to Sekretariat "A"	Reichs-marks	[?]			
		Compensation RM 2,500,000.— Laender-bank shares			RM 3,198,400.—		
		Commission Commission & stamp tax			" 7,200.—		
					RM 3,205,600.—	123.—	3,942,888.—

PART B 17

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/23a/

21	8	Sekretariat A	sfr.	Apr. 8			
14		to I. G. Chemie	sfr.				
		RM 100,000.— Deutsche Laenderbank shares regarding Dr. W. vom Rath			RM 127,680.—	120.65	157.876.29
		to Commission Account Commission			" 328.—		398.70

~~13255~~

13255

PART B 18

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/23b/

2 illegible marks	14	Kommerzienrat [title] Dr. L. Schuon to Sekretariat "B" RM RM 200,000.— shares Scheideanstalt RM 200,000.— shares Laenderbank at 75% Commission Commission	RM	Jan. 15	RM 200,000.—)) " 150,000.—)	121.50	42,525.—
					" 875.—	"	1,063.11
					RM 350,875.—		

PART B 19

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/23c/

106 Aug. 1 282	10	Sekretariat "G" to Frederic Lederer RM 4000.—shares Deutsche Laenderbank A.G. Commission Commission	RM	Aug. 2	RM 3,990.—		
					" 20.—		
					RM 4,010.—	119.50	4,791.95

PART B 20

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/24/

43 5	31	Sekretariat "G" to Eidgenoss. Zurich RM 20,000 shares Deutsche Laenderbank fully paid in, RM 20,000. " ditto 25% paid in Commission Commission	sfr.	Aug. 30	30,431.25		
					75.95		30,507.20

PART B 21

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/25/

9 11	31	Sekretariat to Laenderbank Blocked Account of Sekretariat's Securities Payment of balance RM 4,979,000.— shares Laenderbank Commission Commission Swiss Federal Tax Stamp	sfr.	Dec. 31	RM 3,734,250.—	45.—	1,680,412.50 4,201.05 840.25

B 25 PHOTOSTAT OF SECURITIES ACCOUNT OF INTERHANDEL. DEUTSCHE LAENDERBANK AKTIENGESELLSCHAFT

17 27

Month	Day	Bought from	Nominal Reichsmark	Date for payment of interest	Price	Rate of exchange	Amount	Accrued interest	Total amount	Nr.
1937										
December	6	Ed. Greutert & Co	2,000,000		150%	80	M 3,000,000.—		2,400,000.—	91
	15		2,000,000					——	2,400,000.—	27

Deutsche Laenderbank A.G.

Month	Day	Bought from	Nominal Reichsmark	Date for payment of interest	Price	Rate of exchange	Amount	Accrued interest	Total amount	Nr.
1938										
January	1	balance carried forward	2,000,000		138.—	April 4 '37			943,110.—	8/17
			2,000,000						943,110	
1939										
January	1	balance carried forward	2,000,000		100%	18. . .			360,000.—	
			2,000,000						360,000.—	
1940										
January	2	balance carried forward	2,000,000		100%	15,88			317,600.—	
December	31	profits account						106,443.45		81
			2,000,000					106,443.45	317,600.—	
1941										
January	2	balance carried forward	2,000,000		100%	15,88			317,600.—	
December	31	profits account						42,538.45		44
			2,000,000					42,538.45	317,600.—	
1942										
January	1	balance carried forward	2,000,000		100%	15,88			317,600.—	
August	19	capital adjustment	1,000,000					79,206.80		11
December	31	profits account							102,400.—	
"	"	revaluation								
			3,000,000					79,206.80	420,000.—	
1943										
January	1	balance carried forward	3,000,000		100%	14. . .			420,000.—	
December	31	profits account						16,809.30		59
			3,000,000					16,809.30	420,000.—	

1615

PART B 22

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/27/

25	13	I. G. Chemie Compensation Account Francs June 16				
36		to Sekretariat frs RM 2,000,000.—shares Deutsche Laenderbank	frs 2,397,600.—			
		Commission				
		Commission	" 2,400.—			
213		to Suspense Account [?]				
		Suspended Tax Stamp	" 2,400.—			2,402,400.—

PART B 23

TRANSLATION OF PHOTOSTAT OF JOURNAL OF GREUTERT

/27a/

18	Securities Account				
[2 notes illegible]	to ditto RM 100,000.—shares Laenderbank with affidavit at 187 ½ against RM 125,000.— shares I. G. Farben-industrie at 150.— with affidavit Mrs. Bolongaro-Cravennig	RM 187,500.—	17½		32,812.50

PART B 24

TRANSLATION OF PHOTOSTAT OF JOURNAL OF INTERHANDEL

/27/

6	Securities RM 3,000,000.— shares Deutsche Laender- [Provisionskonto]	RM 3,000,000.—	80.—		2,400,000.—
	bank 150% commission & tax stamp				2,400.—
	to Ed. Greutert & Cie. Compensation etc. Dec. 6				2,402,400.—

(1616)

13283

Copy.
Ownership of Greutert/Sturzenegger

List of Documents

Date	Purchase/Sale fully paid shs.	25% paid shs. Nr. of shs.	Nature of transaction	Bookkeeping documents Nr.	Description
12/22/23	15000		)		
3/14/24	54453		) Acquisition		
5/ 2/24	38000		) undetermined		
5/ 9/24	15000		)		
	122453				
6/30/24	50000		Purchase from Badische	B 1	Photostat of Journal of Greutert
6/30/24	25000		Purchase from Heydtkontor	B 2	Photostat of Journal of Greutert
6/30/24	175000		" " Merseburg	B 3	Photostat of Journal of Greutert
				B 4	Photostat of Journal of Greutert
10/15/24	17000		" " Heydtkontor	B 5	Photostat of Journal of Greutert
3/ 3/24		RM 1.400.000.—	Subscription by "	B 6	Photostat of Journal of Greutert
3/20/25	180000		Purchase from "	B 7	Photostat of Journal of Greutert
	569453				
	converted into RM denomination				
	= RM 3.796.353.—		Purchase from Nederl. Mij.		
10/14/25	688.700.—		Amsterdam	B 8	Photostat of Journal of Greutert
12/29/25	7.—		Purchase to round off		
	RM 4.485.060.—				
6/30/26		" 3.340.000.—	Purchase from Merseburg	B 9	Photostat of Journal of Greutert
6/30/27	./. " 487.500.—		Sale		
	./. " 812.500.—		Sale		
	RM 3.185.060.—				
12/10/29	406.620.—		Purchase from Heydtkontor	B 10	Photostat of Journal of Greutert
"	11.100.—		" " "	B 11	Photostat of Journal of Greutert
"		" 11.100.—	" " "	B 11	Photostat of Journal of Greutert
"		" 36.800.—	" " "	B 10	Photostat of Journal of Greutert
11/27/30	56.640.—		" " "	B 12	Photostat of Journal of Greutert
"		" 51.100.—	" " "		
12/27/30		" 140.000.—	" " Herman Schmitz	B 13	Photostat of Journal of Greutert
"	100.000.—		" " C. Bosch	B 14	Photostat of Journal of Greutert
"	100.000.—		" " Herman Schmitz	B 15	Photostat of Journal of Greutert
	RM 3.859.420.—				
12/29/30	2.500.000.—		Sale to Eidg. Bank	B 16	Photostat of Journal of Greutert
	RM 1.359.420.—				

13500 **Def. Exhibit No. 186**

Translation from a typewritten letter in German

Ed. Greutert & Cie. — Basle 10, May 11, 1926

G/A. — Postfach Mp. Prb.

Telegrams: Grutederus — [Rubber stamp:] Answered

Telephones: Safran 26,84 — [Handwritten] May 22, R

Giro-Konto: Schweiz, Nationalbank

Postcheck-Conto V 3512

To

Director R. Euler

Frankfurt a.M.

Through our telephone talk I was prepared for your letter of yesterday's date. As you know, I did not conceal from our friend Hermann my disappointment about the recent postponement of the decision, and I told him also that the Frankfurt gentlemen were very cross about it. I asked him, furthermore, to tell me frankly if he had now arrived at the opinion that the combination as projected could not be made a link in the big construction of the consolidated chemical companies in the way it had been planned by him. Hermann denied emphatically that any reasons other than lack of time and overwork were the cause of the new delay. Today (I had to ring him up in another matter) he repeated again that, as much as he wanted to, he could not possibly be in several places at the same time and that far too many things were devolving upon him. This has certainly been true for many weeks, with very important negotiations with Americans, the organization of the Vereinigte Stahlwerke A. G., and many other matters pending. But, of course, this is no excuse for his putting us off for almost half a year by now. As for Mr. Roesch, he is almost always en route as he had to audit all the companies merged

13501 [P. 2] with the Badische prior to entering everything in the overall balance sheet of the Badische; of the board of directors of the Badische he is the one in charge

(Page 1618 is blank)

of these matters. No doubt, both gentlemen have been terrifically overworked for a very long time.

That is also the reason why the completion of the bookkeeping documentation and furnishing of security for the risks we have assumed within the tangled mass of the combine members and consortia is proceeding so slowly. At every meeting we point out the missing items, and, on principle, there is of course always complete unanimity, that the one or the other item is missing and needs to be settled; many a thing has been settled; others must be left pending during the undetermined status of the consortia until they can be classified definitely. To go into detail by letter would result in a flood of correspondence. We can only tell you that in 1923 and 1924, at the time of the Poincare regime, we felt much uneasier on account of a possible French intervention in Bern with respect to the Swiss banks than we feel today after everything has been reduced to common denominators and will be further so reduced. We recognized only too clearly that in the years past when swift action was required, many things were done which did not always [P.3] come up to strict standards of business principles; and a prerequisite of such dealings was plenty of good faith here and over there, and a strong feeling in Ludwigshafen and in Basle that we could fully rely on each other. On the other hand, we must not forget that through all these years we were *deliberately* given the opportunity to make extraordinarily high profits. This does not change the fact that it was and still is a most undesirable state of affairs which ought to be done away with, the earlier the better. However, we wish to emphasize that oral orders were always given to us by

13502 Dr. Schmitz and Mr. Roesch jointly, who both were members of the board of directors of the Badische and are directors today in the Farbenindustrie. All the statements of account of the Badische, Merseburg, Heydtkontor, Landerbank have been acknowledged up to December 31, 1925, with a few exceptions where, at the request of

the gentlemen, entries had still to be made on the old account in February. For these and for the statement of the various consortia accounts we have been promised notice of acknowledgement at the next meeting. As for our commitments within the orbit of the Farbenindustrie, it is true that I told you that everything has correctly been put into writing or that we have been promised letters of guaranty. There are [p. 4] already some letters of indemnification (Indanthren, Landerbank—Providentia, Fiduziargesellschaft, etc.) which, to our knowledge, have been seen and found in order by Mr. Traudes. Others, e.g., the letter of guaranty on behalf of the credit to the Internationale Bergin-Compagnie, were handed to the gentlemen in Berlin in February and we shall get them back at the next meeting. The remaining letters of guaranty shall be exchanged as soon as it has been definitely settled what of the consortia shall be allotted to the old Badische, to the new Farbenindustrie A. G. (with antedating), as well as to the Schaffhauser companies. Then we will see clearly to whom we owe money and who is owing us money. The Erdol A. G. holds some contracts by which we are obliged to make certain payments for patents. In return we are indemnified by a letter of guaranty and Mr. Traudes had no objections to its wording. Now, in the course of time, it has been necessary to grant credits for which we are not yet indemnified by a guaranty. These patents will be transferred to the Farbenindustrie which will exercise its option and hereby the question of guaranty for the credits becomes obsolete. As to the big debit

13503 entries, Heydtkontor and Landerbank, which are not balanced by deposits of securities, the figures for the former had not been clarified until we had [p. 5] the big housecleaning when Mr. Haller and I stayed in Berlin for five days; in the case of the Landerbank they originated at that time and only a short time ago. The change of entries in the books had to be digested first and now we can see that much, that some party has to indemnify us for the considerable amounts which, by order of the two gentlemen, we have

~~13500~~

remitted to the Landerbank and the Heydtkontor ~~or~~ switched to their accounts. The gentlemen will tell us the next time whether the party to be designated for certain transactions of the past, transactions which are having consequences in the future, will be the old Badische, or Merseburg, or the Farbenindustrie A. G. [For your information, we point out that the Heydtkontor is the private bank of the numerous Ludwigshafen gentlemen, that the Landerbank is the house bank of the Farbenindustrie A. G., and that both banks probably have been among the biggest money lenders of Berlin for the last six months. Manager of the Heydtkontor and directors of the Landerbank are Messrs. Dr. H. Bruckner, Hulsmann and Bodeker of the Badische, all of them men who enjoy complete confidence.] At the next meeting we intend to submit to the gentlemen the draft of a declaration by which we shall obtain a complete discharge for the past, together with an authority entitling us to take recourse against the Farbenindustrie, or some other competent corporation of its combine, which disposes of considerable funds as to our present and future obligations which exist now or will be contracted in the future as a consequence of our carrying out the orders given orally by Messrs. Schmitz and Roesch. We had asked Mr. Traudes to draw up such a declaration for us.

Enclosed you will find the requested survey of the status of all the

13504 accounts as of today.

Yours amicably

[Signed] Ed. Greutert

Enclosure mentioned.

* * *

13552 Def. Exhibit No. 193, Exhibit D

AFFIDAVIT

CONFEDERATION OF SWITZERLAND
CANTON AND CITY OF ZURICH
CONSULATE GENERAL OF THE
UNITED STATES OF AMERICA

ss

ADOLF BLATTER being duly sworn deposes and says:

That he is now and always has been a citizen of Switzerland.

That he is and for many years past has been a certified public accountant duly authorized by the Government of Switzerland to act as such and a director of the accounting firm of NEUTRA Trust Company Ltd. which firm has its principal office at Loewenstrasse 1, Zurich, Switzerland.

That on the ninth day of October 1940 he examined the books and records, including the correspondence of Internationale Gesellschaft fuer Chemische Unternehmungen A. G. (I. G. Chemie) at its offices located at 19 Peter Merianstrasse, Basle, Switzerland.

That among other things these records show the identity and location of the authorized paying agents duly designated by the said corporation to make payment of dividends on its behalf. That the correspondence files of Internationale Gesellschaft fuer Chemische Unternehmungen A. G. (I. G. Chemie) contain copies of letters addressed by said corporation to the aforesaid paying agents and the originals of the replies received by said corporation from said paying agents.

That based upon such records and after having tested such records by methods and to the extent he deemed appropriate he states

that 166.100 of the shares of stock of Internationale Gesellschaft fuer Chemische Unternehmungen A. G. (I. G. Chemie) are owned by Swiss nationals. That in respect to an additional 9.933 of said shares the

coupons for the payment of the dividends payable July 16th, 1940 were presented for payment by persons in Switzerland. That in respect to an additional 6.497 shares they are owned by persons domiciled in Switzerland.

That 86.671 of said shares are owned by persons in U.S.A.

That 35.616 of said shares are owned by persons domiciled in Germany.

That of the remaining 45.183 shares, 33.610 are owned in the amounts indicated below by persons who are domiciled in the following countries:

Liechtenstein	20
France	1.401
Belgium	2.987
Holland	730
Sweden	52
Great Britain (incl. Col. & Dom.)	5.983
Spain	159
Portugal	5
Norway	20.749
Denmark	3
Bohemia	19
Poland	2
to carry forward	32.110

13553

carried forward	32.110
Luxemburg	8
Greece	6
Jugoslavia	1
Turkey	24
Nederl. India	38
Palestine	47
Japan	31
Hungary	17
Egypt	13
Italy	988
Ireland	2
Brazil	78
Mexico	117
Bolivia	6
Peru	3
Argentine	21
Guatemala	3
China	30
Salvador	6
Uruguay	19
Chile	28
Cuba	7
Russia	7
	33.610
and that	11.573

shares could not be ascertained.

Made this day of October twenty-eighth, nineteen hundred-forty.

[Sworn to October 28, 1940]

ADOLF BLATTER.

* * *

~~13847~~

13847 **Def. Exhibit No. 290**

Translation.

H. STURZENEGGER & CIE.

Basle,
June 24, 1941.

I. G. Farbenindustrie Aktiengesellschaft,
Frankfort on the Main.
Reference: *"Athanil" A. G., Athens.*
Your symbol: Farben/orient v. R./Z.

We refer to your letter dated 13 June and acknowledge receipt of the enclosures, i.e. the "acknowledgement", and "sales-offer" of Mr. Otto W. Bertram referring to

100 shares Farben—und Chemikalien—Handels—Aktiengesellschaft "Athanil" A. G., Athens.

We have accordingly destroyed the preceding similar statement which Mr. Bertram made to Mr. Eduard Greutert, deceased.

We incorporate in our files the sales offer which Mr. Ed. Greutert made to you and which you have also transmitted. We are enclosing for you a sales offer which we have executed. We have modified the text of the offer in accordance with the fact that we are not the owners of the shares, but that we are only entitled to avail ourselves of a right of option at any time.

We trust that you concur with the modified text and we are,

very truly yours

H. STURZENEGGER & CIE.
/s/ Werder Sutter

1 enclosure.

* * *

13849 **Def. Exhibit No. 291**

Translated from a photostatic copy of the German original.

Sales offer.

A

1.) The undersigned firm of H. Sturzenegger & Cie., Basle, has an irrevocable option, to be exercised at any time, for the acquisition of

100 (one hundred) shares of the Farben- und Chemikalien-Handels-Aktiengesellschaft "Athanil" A. G., Athens, at the nominal value of Drachmen 250,000 (two hundred fifty thousand).

2.) In case the firm of H. Sturzenegger & Cie., Basle, exercises the above mentioned option, it offers already now the shares mentioned above for sale, with legal effect for itself and its legal successors, to the I. G. Farbenindustrie Aktiengesellschaft, Frankfurt o. M., or, at the request of the FIG. to a third party to be named by the I. G. Farbenindustrie Aktiengesellschaft, Frankfurt o. M., against payment of the amount of sfrs. 7,575.33 (seven thousand five hundred seventy-five 33/100) actually paid on these shares by the firm of H. Sturzenegger & Cie., Basle.

3.) The sales offer of number 2) is irrevocable. The I. G. Farbenindustrie Aktiengesellschaft, Frankfurt/Main, or the third party to be named by the I. G. Farbenindustrie Aktiengesellschaft,

13850 respectively, is not bound to a time limit for the acceptance of the offer. A special form for the acceptance of the offer is not necessary. Therefore the acceptance can be declared at any time.

H. STURZENEGGER & CIE.
/s/ Werder Sutter

Basle, June 19, 1941.

* * * * * * * * * *

"		"	36.800.—	"	"	"	B 10 Photostat of Journal of Greutert
11/27/30	56.640.—			"	"	"	B 12 Photostat of Journal of Greutert
"		"	51.100.—	"	"	"	
12/27/30		"	140.000.—	"	"	Herman Schmitz	B 13 Photostat of Journal of Greutert
"	100.000.—			"	"	C. Bosch	B 14 Photostat of Journal of Greutert
"	100.000.—			"	"	Herman Schmitz	B 15 Photostat of Journal of Greutert
	RM 3.859.420.—						
12/29/30	2.500.000.—			Sale to Eidg. Bank			B 16 Photostat of Journal of Greutert
	RM 1.359.420.—						
4/ 8/31	100.000.—			Purchase from von Rath			B 17 Photostat of Journal of Greutert
	RM 1.459.420.—						
1/14/32	200.000.—			Sale to Schuon			B 18 Photostat of Journal of Greutert
	RM 1.259.420.—						
8/ 1/34	4.000.—			Purchase			B 19 Photostat of Journal of Greutert
8/30/34	20.000.—	"	20.000.—	Purchase from Bayrische Vereinsbank			B 20 Photostat of Journal of Greutert
12/31/36	RM 1.283.420.—	RM	4.999.000.—	Full payment			B 21 Photostat of Journal of Greutert
	4.999.000.—						
	RM 6.282.420.—						
12/ 8/37	./. 2.000.000.—			Sale to Interhandel			B 22 Photostat of Journal of Greutert
	RM 4.282.420.—						
8/27/38	20.—			Sale to round off			
	RM 4.282.400.—						
4/18/39	100.000.—			Purchase from Mrs. Bolongaro			B 23 Photostat of Journal of Greutert
8/19/42	RM 2.171.200.—)			Free issue			
9/17/42	20.000.—)						
	RM 6.573.600.—						
12/15/42	600.—			Sale to round off			
	RM 6.573.000.—						

13284

Copy

LIST OF DOCUMENTS

OWNERSHIP OF INTERHANDEL

Date	Acquisition	Nature of transaction	Bookkeeping Documents Nr.	Description
12/ 6/37	2,000,000	Purchase from Greutert	B 24	Photostat of Journal of Interhandel
8/12/42	1,000,000	Free issue	B 25	Photostat of securities account of Interhandel

~~13852~~

13852 **Def. Exhibit No. 292**

Translation.

I. G. BERLIN NW 7, 82 UNTER DEN LINDEN

April 19, 1943

Legal Division Farben,
Frankfort on the Main

Our symbol: Central Finance Administration
Div.: Fin. Secr.
Kl/Ko. D 8/641

Subject: "Athanil" A. G. Farben- und Chemikalien-Handels A. G., Athens;
Bankhaus Sturzenegger & Cie., Basle.

Reference is made to the loan of Sfrs. 7,575.33 which the banking firm of Sturzenegger & Cie., Basle, made Mr. Bertram, Athens, for the purpose of purchasing 100 Athanil shares. As a consideration, Bertram granted Sturzenegger an option to buy these against payment of the cost price. In accordance with sales offer dated 19 June 1941, Sturzenegger on their part are under obligation to offer us said shares for sale, upon our demand, for the same price as paid by Bertram. Consequently, if we should accept the sales offer, Sturzenegger would be released from any obligation and the balance in their books would be settled. But since there is no obligation on the part of I. G. to accept the offer, I. G. can decline the sales offer, and Sturzenegger must continue carrying the shares on his books.

The banking firm of Sturzenegger is now asking us to extend our agreements by assuming the obligation to acquire the shares under the conditions as agreed, if Sturzenegger should require us to do so. Sturzenegger says that his role in this transaction had merely been that of a trustee; therefore he would rather prefer not to be under the obligation to have to take over the shares one day, without having the certainty that he would be able to transmit them to us under

the original conditions. Considerations for his own auditors are mainly responsible for his desire.

We think that we cannot refuse to accede to this reasoning and that it will be necessary to comply with the request of Sturzenegger. We ask you, kindly to look into the matter and to inform us of your

13853 position.

CENTRAL FINANCE ADMINISTRATION
/s/ Gierlichs

[Pencilled note:]

[1.] To: Director Voigt

Presumably for reasons of concealment, we avoided in the past assuming an express obligation of purchase, in spite of the fact that an obligation of this nature had been understood to exist between the parties. In consideration of the situation as it is today, I suggest that the desire of Sturzenegger be complied with.

If you concur, I shall take care of the rest.

April 20

[2.] agreed [illegible initials] Kupper

* * * * * * * * *

13855 **Def. Exhibit No. 293**

[Translated from photostatic copy in German]

I. G. FARBENINDUSTRIE. AKTIENGESELLSCHAFT
Frankfurt on the Main 20.

To
banking house Sturzenegger & Cie.
Basle

legal Dept. Dyestuffs April 21, 1943
Dr. K [upper]/Ep.

"Athanil", Farben- und Chemikalien-Handels A. G., Athens

We refer to your offer of sale of June 19, 1941 according to which you offered to us, or at our request, to a third party to be named by us, 100 shares of the Farben- und Chemikalien-Handelsgesellschaft "Athanil" A. G., Athens in the

~~13856~~

nominal value of drachmae 250,000 against reimbursement of the amount of sfrs. 7.575,33 which your actually paid for these shares.

13856 We herewith declare that we are willing to accept your offer of sale upon your request, which can be made at any time, according to the conditions agreed upon in the offer.

I. G. FARBENINDUSTRIE AKTIENGESELLSCHAFT
[sgd] Dr. Kupper [sgd] Honicka

* * * * * * * * * * *

13858 **Def. Exhibit No. 294**

[Translation from photostatic copy in German.]

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT,
FRANKFURT ON THE MAIN, 20

Central Finance Administration
I.G. Farbenindustrie Aktiengesellschaft
82 Unter den Linden
Berlin NW 7

Your letter:	Legal Division Farben	April 21, 1943
April 19, 1943	Dr. K/Ep.	

Subject: "Athanil" A.G. Farben—und Chemikalien—Handels A.G., Athens/Bankhaus Sturzenegger & Cie., Basle.

With reference to your letter of April 19, 1943, we point out that in the past we have avoided, for reasons of cloaking, to give also a formal promise to the banking firm Sturzenegger & Co. that we would take over the shares of Athanil A.G., which were held by Mr. Bertram in Athens, although there always had existed an internal understanding about this obligation. In view of the present situation, however, we believe we are able to comply with the request of the banking firm of Sturzenegger. We have therefore written the mentioned firm as per enclosure and ask you to forward

that letter in a manner deemed appropriate. We are also enclosing a copy for your files.

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT
[signed:] Dr. Kuepper [signed:] Hoenicka
[handwritten:] signed Dr. Kupper signed Hoenicka

COPY

* * * * * * * * * *

14061 **Def, Exhibit No. 372**

Translated from a carbon copy of the German original

I. G. Farbenindustrie Aktiengesellschaft
Central Finance Administration
Berlin NW 7

To: Reichswirtschaftsministerium
[Ministry of Economics]
Attention: Dr. Schlotterer, Ministerialdirigent
Berlin W8 [Handwritten] Rec. JULY 26
Behrenstr. 43

Our reference: June 26, 1939
Finance Secretariat 4039
G/vS/Bg 1674

Re: Measures for securing the share-holdings of our sales-companies abroad

We refer to the conversation with Ministerialdirigent Dr. Schlotterer of the 19th ult. and beg to report as follows:

The crisis of September last has induced us again to a thorough reexamination of the question how to secure the participation in our sales-companies abroad, especially in the countries of the British Empire. We arrived at the result that in various cases the present structure is needing improvement, and that, for reasons of taxation as well as in view of possible European conflicts, a reorganization in the following direction is necessary:

~~14062~~

We have induced business friends abroad, whose reliability can be trusted, to establish in Amsterdam the Chemische Handels-Maatschappij (called hereafter "Chehamij") with an authorized capital of lifl. 1,000,000,
14062 of which hfl. 200,000 are to be issued against full payment. This company is to take over the entire share-capital, or parts thereof, of such foreign sales-companies of our firm which we consider particularly endangered or for which, for different reasons, especially those of taxes, [p. 2] a change in the present status of ownership with regard to the share-capital is necessary. The following agencies abroad are concerned:

I. G. Dyestuffs, Ltd., Manchester
Dychem Trading Co. Pty. Ltd., Melbourne.
Consolidated Dyestuff Corporation Ltd., Montreal
La Generale des Matieres Colorantes, Produits Chimiques et Pharmaceutiques Societe Cooperative, Brussels
N. V. "Defa" Maatschappij, voor Verfstoffenhandel, Arnheim
N. V. Agfa Photo, Arnheim.

With regard to these firms we wish to give you the following details:

1) I. G. Dyestuffs Ltd., Manchester

This company is the agency of our dyestuff group in England. Its capital, at the present time, amounts to nominal £ 25,000, nom. £ 17,000 of which are ordinary shares and nom. £ 8000 preference shares. The shares are distributed as follows: nom. £ 16,000 ordinary shares (75% paid) are owned by Maatschappij voor Industrie en Handelsbelangen N. V. in Amsterdam (called hereafter "Maatschappij"), which is connected with I. G. Chemie, Basle, and which, at our request, was placed at our disposal some years ago by the latter for the fiduciary administration of shares of our sales-companies abroad. Director Kohler, Frankfurt a.M., manager of our dyestuff business in England, being also on the Board of

14063 I.G. Dyestuffs, Ltd., Manchester, holds nom. £ 1000 ordinary shares of which 75% are paid in. Mr. George and Mr. Taylor, the two directors of I.G. Dyestuffs Ltd., hold each nominal £ 4000 preference shares of which likewise 75% are paid in. I.G. and/or the firm of Leopold Cassella, which is merged with us, has sold the nom. £ 24,950 shares formerly in their possession—nom. £ 50 shares were owned by Mr. Taylor at an earlier period already; at the time the previous transaction was carried through, they were not included in the sales-offer of Maatschappij—to [p. 3] Maatschappij for a total of £ 28,912.10, granting it a delay of payment of the purchase-price. In return, Maatschappij made us an irrevocable sales-offer for nom. £ 24,950 shares at the same price. Considering the present legal status, I.G. would, at any time, be in a position of regaining nom. £ 17,000 ordinary shares and nom. £ 7950 preference shares by setting off the mutual purchase price-claims against each other. The ordinary shares, at the time of their sale, have been valued at 160 percent, so that a purchase price of £ 22,950, in consideration of the payment of 75%, resulted for nom. £ 17,000 ordinary shares, while the nom. £ 7950 preference shares were valued at par resulting, also in consideration of the payment of 75%, in a purchase-price of £ 5962.10 i.e., the total purchase-price amounted to £ 28,912.10.

Maatschappij on its part sold £ 1000 ordinary shares of the shares taken over by it to Director Kohler at the price of £ 1350. Delay of paying the purchase price having been granted to Director Kohler, the latter, in return, gave a sales-offer to Maatschappij at the same price.

14064 Maatschappij further sold to Mr. George and Mr. Taylor nom. £ 4000 preference shares at £ 3000 each against cash-payment out of their own funds, both making sales-offers to it for the shares at the same price, i.e. £ 3000 each. In consideration of the funds invested on their own account, Mr. George and Mr. Taylor desired that the amount of the purchase-price actually paid by them remained with

14064

a company abroad which would, at any time, be in a position to accept the sales-offer and reimburse the purchase-price paid by them without Foreign Exchange restrictions. It is for this reason that Maatschappij did not pass on to I.G. the £ 6000 paid to it. The present state of affairs is such that Maatschappij owes to I.G. a total of £ 28,912.10 and holds, as property for its own account, £ 16,000 ordinary shares while it can dispose of nom. £ 1000 ordinary shares of Director Kohler by setting off the amount against the purchase-price for which delay of payment has been granted, and of nom. £ 4000 each preference shares of Mr. George and Mr. Taylor [p. 4] against payment of £ 3000 each. For reasons mentioned above, the sales-offer made by Maatschappij to I.G. has not been made out for nom. £ 25,000 but for nom. £ 24,950.

This construction, in which direct sales-offers and corresponding loan-obligations extend from Maatschappij to our company, does not appear sufficient for protecting the company from political risks. Moreover, there are other important reasons which render a reorganization of the I.G. Dyestuffs Ltd., imperative and which are known to the Reichsbank-Directorate from the negotiations carried on with it—the permit

14065 relating to it is dated May 17, 1939, and has the reference: AFA 8412 Bie/Ze—and which have been appreciated by you in your permit of June 17, 1939, reference: V Dev. 2/25644/39, in answer to our partial application of the 12th inst. It concerned the exclusion of the risk of seizure in the event of political complications and measures to maintain the agency-organization in times of a possible crisis. As detailed in our above mentioned partial application of 12th inst., these aims are to be achieved by transforming the agency to sole-importer basis. To complete the disconnection from I.G. (from the legal viewpoint), Chemij is to take over from Maatschappij the latter's present property of nom. £ 16,000 ordinary shares against cash-payment, and the sales-offers of Mr. Kohler, Mr. George,

and Mr. Taylor are also to be made over to it by Maatschappij.

2) *Dychem Trading Co. Pty. Ltd., Melbourne* (called hereafter Dychem).

The share-capital of Dychem, our dyestuffs agency in Australia, is divided into 50,000 shares of nom. Australian £ 1 each. Of these a total of nominal Australian £ 15,000 has been issued. The shares are distributed as follows:

The Axe Trading Co. Ltd.	nom. Australian £ 7,150
Dr. Reithmeier	" " " 500
Mr. Weir	" " " 7,350

[p. 5] The Axe Trading Co. has made a sales-offer to I.G. with "Andienungsrecht" [right to make an offer to a party bound to accept the same] at the nominal value for the amount held by it. Since a loan of the same amount
14066 has been granted by us to The Axe Trading Co. to acquire the participation, the purchase-price, in the event of I.G. taking over the shares, could be paid by setting it off against the loan granted to The Axe Trading Co. Mr. Weir and Mr. Reithmeier, who out of their own funds, have raised the amounts necessary for acquiring their participation, have made sales-offers with "Andienungsrecht" to the Axe Trading Co. Should The Axe Trading Co. take over the shares, it would have to pay a total of Australian £ 7,850. On the other hand, The Axe Trading Co., with regard to these Australian £ 7,850 shares, has made a sales-offer with "Andienungsrecht" to I.G. Dyestuffs Ltd. Since the firm Kleinwort, Sons & Co. attaches value to the I.G. Dyestuff Ltd. being fully freed from all other obligations in view of the amount of the credit granted to it, it is necessary to convert the sales-offer which has been given at the time by Axe Trading to I.G. Dyestuffs Ltd., and which is combined with an "Andienungsrecht" for The Axe Trading Co.

For these reasons, both the sales-offer with "Andienungsrecht" regarding the personal property of The Axe Trad-

ing Co. amounting to Australian £7,150 shares and the sales-offer with "Andienungsrecht" regarding the shares held by Mr. Reithmeier and Mr. Weir, shall be transferred by The Axe Trading Co. to Chehamij instead of, as heretofore, to I.G. Dyestuffs Ltd.; at the same time, Chehamij will grant a loan amounting to £ 7,150 to The Axe Trading Co. to enable the latter to pay back the loan obtained from us in that amount. The reason for this change is that it is likewise undesirable that sales-offers with "Andienungsrechten"

14067 extend any longer from The Axe Trading Co. to our company. The amounts [p. 6] which, on one side, have to be placed at Chehamij's disposal are at the same time coming in from Axe Trading by repayment of the loan, so that no Foreign Exchange is required for the transaction. (The financial settlement of the entire transaction will be dealt with at the close of this letter).

3) *Consolidated Dyestuff Corporation Ltd., Montreal* (called hereafter CDC).

The situation here is similar to that of Dychem. The authorized share-capital of the CDC is nominal Can. $1,000,000, of which nom. Can. $750,000 are ordinary shares and nom. Can. $250,000 preference shares. Totally Can. $250,000 have been issued and these have been fully paid in, namely

2000 shares of Can. $100 each=nom. Can. $200,000 ordinary shares
500 shares of Can. $100 each=nom. Can. $ 50,000 preference shares.

Of the ordinary shares, nom. Can. $199,500 are held by Axe Trading. Axe Trading, owning the purchase price to I.G., granted the latter an option with "Andienungsrecht" at nominal value. The remaining nom. Can. $500 ordinary shares and the Can. $50,000 preference shares are held by directors and members of the board of CDC and have been

paid out of their own funds. These six gentlemen have made sales-offers with "Andienungsrecht" to Axe Trading Co. which, in view of the fact that the preference shares have been valued at a price of 105%, would have to pay Can. $53,000 for the acquisition of the shares. Axe Trading Co. on its part passed the sales-offers made to it on to I.G. Dyestuffs
14068 Ltd. under the same conditions. For the reasons stated with regard to Dychem, it is intended to induce Axe Trading to repay the loan granted to it by I.G. out of funds placed at its disposal by Chehamij, transferring, in return, to Chehamij the sales-offer made heretofore to I.G. In the same way, the sales offers of the six gentlemen, which so far [p. 7] lead via Axe Trading to I.G. Dyestuffs Ltd., are to be transferred from Axe Trading to Chehamij.

4) *La Generale des Matieres Colorantes, Produits Chimiq es et Pharmaceutiques Societe Cooperative, Brussels.* (Called hereafter GMC).

GMC is a co-operative company. The capital amounts to bfrs. 1,000,000, of which bfrs. 500,000 are held by Maatschappij, while the remainder of the capital is distributed among six confidential persons (directors of GMC and other persons on business relations with this company). Maatschappij has acquired the nom. bfrs. 560,000 shares held by it by means of a loan placed by us at its disposal. The loan amounts to bfrs. 550,000. Maatschappij holds, moreover, sales-offers at purchase-prices from the aforementioned six persons who have paid for their shares out of their own funds. If it is making use of these sales-offers, Maatschappij would have to pay Swiss francs 60,000 and Belgian francs 150,000. No formal sales-offers have been submitted to our company by Maatschappij, neither with regard to the nom. bfrs. 500,000 held by itself, nor with regard to the other nom. bfrs. 500,000, which it can dispose of by using the sales-offers made to it. As Maatschappij, for internal

reasons, wants to withdraw from GMC not only as shareholder but also as option-bearer, it is intended to transfer to

14069 Chehamij the nom. bfrs. 500,000 now held by Maatschappij, and also to make over the sales-offers of the aforementioned six gentlemen. The settlement is to be carried through in the following way: Chehamij will acquire the share-property of Maatschappij with funds, which we shall place at its disposal in the way described farther below, Maatschappij using the purchase-price for payment of the loan granted to it by us so that, once the transaction is carried through, no Foreign Exchange expenditure will have occurred, exactly as in the other cases.

[p. 8] 5) *N.V. Defa Maatschappij voor Verfstoffenhandel, Arnheim* (called hereafter Defa)

Of the authorized share-capital of Defa amounting to hfl. 250,000, hfl. 125,000, fully paid in, have been issued. Of this sum, during the years 1929-1934, Maatschappij has acquired gradually from I.G. nom. hfl. 60,000 against cash-payment. Of these nom. hfl. 60,000 shares, Maatschappij has sold parcels of nom. hfl. 5000 each to Mr. Zilg, Mr. Meyer and Mr. Bruehne at nominal value and received the purchase-price, which the said persons have paid out of their own funds. All three of them made Maatschappij sales-offers with "Andienungsrecht." No arrangement has been made between Maatschappij and I.G., neither with regard to the nom. hfl. 45,000 held by Maatschappij nor with regard to the nom. hfl. 15,000 which Maatschappij can dispose of according to the sales-offers made by Mr. Zilg, Mr. Meyer and Mr. Bruehne, although the interested parties realize that any desire expressed by I.G. in this respect would have to be taken into consideration. As Maatschappij is not in a position to continue holding the nom. hfl. 45,000 shares for its own account

14070 and, at the same time, also attaches value to being released from the trusteeship regarding the remain-

ing hfl. 15,000 shares, it is intended to induce Chehamij to purchase the non. hfl. 45,000 Defa-shares from Maatschappij against cash-payment, and likewise to transfer the sales-offers of Mr. Zilg, Mr. Meyer and Mr. Bruehne—so far made to Maatschappij—to Chehamij.

6) N.V. Agfa Photo, Arnheim.

The share-capital of Agfa Photo, Arnheim, amounts to hfl. 20,000, whereof hfl. 8,000 are held by Mr. Tanger, while parcels of hfl. 6,000 shares each are held by Mr. Sillem and Mr. Croese. All three are or have been in the management of the company and have made out sales offers to us. While Mr. Tanger paid for the shares out of his own funds, [p. 9] Mr. Sillem and Mr. Croese obtained from Maatschappij loans amounting to hfl. 6,000 each, at 6% interest. As Maatschappij, for the reasons mentioned above, wants to liquidate these two items as well, it is intended that Chehamij grants loans of hfl. 6,000 each to Mr. Sillem and Mr. Croese to enable them to pay back the loans contracted with Maatschappij. At the same time, all three persons are to be induced to make over to Chehamij the sales-offers made out to us directly.

We think the transaction can practically be carried through in the following way:

Chehamij needs only a small part of its share-capital, paid in cash, as working capital. Hfl. 20,000 being estimated sufficient for that purpose, hfl. 180,000 can be used for participations and loans. Taking into

14071 account this amount of hfl. 180,000 and the credit-amount of £ 6,000 (see p. 10, section 4) of Mr. George and Mr. Taylor, to be transferred by Maatschappij to Chehamij, the amount to be placed at the latter's disposal for carrying the transaction through will have to be

hfl. 1,413,230.58

taking the following present Exchange-rates as a basis:

£ 1	= hfl.	8.81
	= Canadian dollars	4.69
	= Australian £	1.25
belga 100	= hfl.	32.
[1 belga = 5 Belgian francs]	= belga	
Swiss francs 100 =		132.60

This amount is computed as follows:

I.G. Dyestuffs Ltd., Manchester

1) Amount for subscription of 75,000 shares, newly to be issued and fully to be paid in of £ 1 each = £ 75,000= hfl. 660,750.

2) Amount for purchase of nom. £ 16,000 ordinary shares from Maatschappij (75% paid in) at the price of 160 = £ 21,000 = hfl. 190,296.

[p. 10] 3) Amount for transfer of loan, hitherto granted by Maatschappij to Director Kohler, to Chehamij £ 1,350 = hfl. 11,893.

4) Amount for exercise of options with "Andienungsrechten" of Mr. George and Mr. Taylor for nom. 4000 preference shares each = £ 6,000. This amount is transferred by Maatschappij to Chehamij as purchase-price, formerly paid by Mr. George and Mr. Taylor, and will be utilized if the options or "Andienungsrechte" are made use of.

14072 *Dychem Trading Co. Pty. Ltd., Melbourne*

5) Amount for granting the loan conceded hitherto by I.G. to Axe Trading Co. Australian £ 7,150 = hfl. 50,393.20

6) Amount for exercise of the options with "Andienungsrechten," taken over now by Axe Trading Co. towards Chehamij for the shares held by Mr. Reithmeier and Mr. Weir: Australian £ 7,850 = hfl. 55,326.80

Consolidated Dyestuff Corporation Ltd., Montreal

7) Amount for granting the loan conceded hitherto by I.G. to Axe Trading Co.: Canadian $199,500 = hfl. 374,753.74

8) Amount for exercise of sales-offers hitherto made out to I.G. Dyestuffs Ltd.: Canadian $53,000 = [handwritten] 53500 hfl. 99,558.64

La Generale des Matieres Colorantes, Produits Chimiques et Pharmaceutiques, Societe Cooperative, Brussels

9) Amount for taking over the shares, held hitherto by Maatschappij, amounting to nom. Belgian frs. 5,000,000 [should read 500,000]. Belgian frs. 550,000 = hfl. 35,200.

10) Amount for exercise of the sales-offers hitherto made out to Maatschappij, of shares amounting to:
Sfrs 60,000 = Belgian frs. 397,830
and " " 150,000

Belgian frs. 547,830 = hfl. 35,059.20

[p. 11] *N.V. "Defa" Maatschappij voor Verfstoffenhandel, Arnheim*

11) Amount for taking over the shares held hitherto by Maatschappij amounting to hfl. 45,000.

~~14072~~

14073 12) Amount for exercise of the options with "Andienungsrechten" of Mr. Zilg, Mr. Meyer and Mr. Bruehne, amounting to hfl. 5,000 each = hfl. 15,000.--

N. V. Agfa-Photo, Arnheim

13) Amount for the grant of a loan of hfl. 6000 each to Mr. Sillem and Mr. Croese with which they are to discharge their liabilities towards Maatschappij = hfl. 12,000.--

14) Amount for exercise of option with "Andienungsrecht" for the share held by Mr. Tanger = hfl. 8,000.--

Total: hfl. 1,593,230.58

Of this sum total

1. have to be paid immediately: hfl. 1,380,285.94

representing the amounts of items 1, 2, 3, 5, 7, 9, 11, and 13. Though I.G. has to place at Chehamij's disposal the necessary amounts by means of a credit, this does not mean an additional expenditure of Foreign Exchange, because at the same time these amounts will come in again from the former loan-debtors:

2. have to be kept ready hfl. 212,944.64
only when the options or "Andienungsrechte" are exercised. This sum represents the amounts of items 6, 8, 10, 12 and 14. With regard to these items it will consequently be sufficient if Chehamij is given the guarantee that it can dispose of these amounts in case of need.

In order not to make the interest of I.G. appear to the outside, the funds needed immediately by Chehamij will be placed at its dis-[p. 12]posal in the following way:

We shall maintain a credit-balance with
14074 Enskilda Bank, Stockholm, equal to the credit amount needed. Enskilda Bank will grant a loan of the same amount to one of its subsidiaries. Another of Enskilda Bank's subsidiaries, a Swedish investment-firm, will concede a loan of the same amount to Chehamij, no connection existing in this matter between the second subsidiary and Enskilda Bank or to the first subsidiary. Though, at the outset, maintaining our account with the bank on a level with the amount of the credit did not appear as sufficient guarantee to Enskilda Bank and its loan-granting subsidiary, we have now succeeded that no other security is asked for the credit. We are merely bound to maintain with Enskilda Bank an account on a level with the credit granted to Chehamij by the investment-firm connected with the bank.

The independence of the shareholders of Chehamij is an essential factor for attaining the aim of eliminating all mediate or immediate connection, in any way legally founded, between Chehamij and I.G. The fact that the three shareholder-companies are foreigners, that they fully pay in hfl. 200,000 out of their own funds and that neither they nor Chehamij itself get any contributions or credits from I.G., should be sufficient evidence of the shareholders' independence. Between Chehamij or its shareholder-companies on the one hand, and I.G. on the other, there are no relations to the outside.

On the other hand, when choosing the shareholders, much value had to be attached to securing our influence on Chehamij to its full extent. For that reason, we have chosen as shareholders three companies,
14075 which are closely connected with I.G. Chemie, Basle, and with the banking-house of Ed. Greutert & Cie., Basle—a business connection of ours—and which conse-

14076

quently guarantee that the influence of I.G. on Chehamij will be maintained to its full extent. The shareholders and we have agreed that we have a dominating influence on Chehamij, and, in view of the fact that the shareholders, without having any influence [p. 13] on Chehamij have raised the paid share-capital of hfl. 200,000 out of their own funds, they have demanded that a minimum dividend of 6% be internally guaranteed to them.

Care has been taken that Chehamij, after payment of interest on the Swedish credit, distribution of dividends on its capital, payment of Dutch taxes and deduction of its administration-expenses, transmits to us any surplus remaining from its dividend- and interest-revenues.

According to the agreement made both with Germany and the Netherlands for the purpose of avoiding double-taxation, no taxes will be imposed in Sweden.

The remunerations demanded by the Swedish bank for itself and its two subsidiaries, is 1% p.a. of the actual maximum credit-amount.

For the moment, as detailed above, only an amount of hfl. 1,400,000 is needed. But both Enskilda Bank and we are agreed that, should Chehamij need any further amount to satisfy the "Andienungsrechte" also detailed above, we are entitled to demand an additional credit.

We refer to our partial application of June 12, 1939, regarding the capital-increase of I.G. Dyestuffs Ltd., Manchester, and your

14076 subsequent permit of June 17, 1939, and request to authorize us on principle to carry through the transaction described in this application and, if necessary, to instruct the Foreign Exchange Control Office Berlin to make out the various separate permits required for carrying through the transaction, after we have made available to it further documents possibly needed for the various items.

Should any further information be required please contact us at any time, by phone (12 0021) if you so desire.

Heil Hitler!

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT

Signed: Dr. Kruger Signed: ppa. von Meister

1 Duplicate

14090 **Def. Exhibit No. 373**

Translation from photostat of German original.

[handwritten]
Dir. Dr. Kupper
after his return
Dir. Jungbluth
Dir. Kohler *K J*
Mr. v. Szilvinyi
Mr. Sinkel

To the
Reich Ministry of Economic Affairs
Berlin W.8.
Behrenstr. 43.

July 24, 1939

Finance Secretariat
Ke/P. 2166

Measures for Safeguarding Ownership of Shares of Our Sales Companies Abroad

Reference is made to our application of June 26, 1939, and the negotiations with you in the interval. You have requested us to state our position once more with regard to several questions that were broached in those discussions. We therefore take the liberty of laying before you the following:

In the negotiations you pointed out to us that you hesitated to agree to the arrangement proposed by us for the new order to be established for our sales companies abroad, because a legal tie was not provided between Chehamij—

14090

which is supposed to serve as holding company for the sales companies dealt with in our application—or its shareholders, on the one hand, and our company on the other, that would enable us to appropriate directly the assets passing into the possession of Chehamij.

The exclusion of such a legal relationship seems to us, however, to be essential for the objective aimed at in the new structure of our sales companies. We take the liberty of pointing out in this connection that in
14091 recent years we have had in an ever greater degree to proceed to place on a different basis the tie between our firm and our sales companies abroad, in order to remove disadvantages with respect to taxation, for reasons of [p. 2] national economic propaganda or of boycott measures, or in order to eliminate the danger of seizure in the event of entanglements connected with war.

While we had originally organized our sales companies in such a manner, in general, that their business shares were held for us, i.e. also with our means, by persons or firms associated with us [and] acting as trustees, we first proceeded to an ever greater extent to set up these sales companies in such a manner that the shares were taken over by qualified individuals or firms abroad out of their own means, so that the company in question could really appear as a company genuinely national; our own interests we safeguarded by having the owners of the shares grant us options under which the shares could at any time be taken over by us or by third parties to be designated by us, who were provided security in the form of corresponding blank assignments of the shares to be deposited with neutral parties.

Our constant scrutiny of the legal structure of our sales apparatus abroad and the necessity, in view of the political tensions, of turning our particular attention to the protection of our interests in the event of a conflict with other powers, have produced in us the conviction that in the countries especially jeopardized, particularly the English

Empire, even this structure no longer offers sufficient security. The English tax authorities have already now proceeded to demand, in the examination of the tax obligations of share owners living abroad, an affidavit in which

14092 is to be stated, among other things,

"that the mentioned persons have not acquired the mentioned assets by virtue of a contract, an option or an agreement in any form whatsoever, in which they have consented to resell or transfer these assets or to sell or transfer similar assets; or on the basis of which they can be held to a resale or transfer of these or similar assets." [p. 3] It is the purpose of this affidavit to establish whether the English company in question is possibly to be regarded as an operating unit of an enterprise abroad. This inquiry, which is made first of all for reasons of taxation, is, however, of particular importance, of course, in the matter of the measures to be taken with regard to the company in the event of war.

With the maintenance of the present structure, the now existing option, even though it is an indirect one, in favor of I.G., would therefore not remain concealed from the English authorities, since the present share owners, some of whom are English citizens, could not be expected, in view of the legal penalties involved, to keep their option obligations secret from the English tax authorities, who on their part would then again ascertain, by further inquiry of those authorized to exercise the option, whether there were possibly any further option obligations toward our [company] or some other German company.

14093 Judging from our accumulated experience, it must be anticipated that this procedure, adopted for the time being in England, will very shortly be put into effect in the other parts of the Empire also, and, if the occasion should arise, also in other states, so that we consider it necessary already today to proceed from these facts with

regard to the entire group of sales companies dealt with in our application of June 26, 1939.

The discovery of the option relationships towards I.G. would have as a consequence, first, that our sales companies would be treated, in the matter of taxation, as operating units of our firm, which would lead to a considerable increase in the taxes to be paid abroad—a particularly undesirable development as regards foreign-exchange economy—and thus to a substantial diminution in our foreign-exchange revenues. Apart from this, however, we believe that the present structure, the essential feature of which is the existence of direct or indirect legal ties between I.G. and the share owners of the sales companies, can no longer be maintained, in view of a possible war risk.

Thorough study of the English war economy legislation and the decisions [p. 4] made in connection with it, which incidentally set the example for the other Entente powers in the World War, has shown that there was the possibility of a ban on trade relations and of a seizure of assets not only with respect to subjects of the enemy powers, but also with respect to neutral individuals or firms which, as had been ascertained on the basis of the investigations made by the English authorities in cooperation with the English intelligence service, were "dependent on the enemy" or "working for the benefit of the

14094 enemy." The investigations for this purpose were made in neutral foreign countries also, in about the same manner in which the agents of the American Treasury Department, for example, today make customs investigations abroad in the case of enterprises exporting to the United States. With the extraordinary thoroughness of such investigations, it must be expected that, in view of the fact that the sellers of our products will in the first place be suspect to the investigating authorities, the share owners of the sales companies will be questioned in the greatest detail regarding their relations with our enterprises or other German parties, and will also have to make

corresponding statements or sworn declarations regarding them. It seems to us out of the question that contractual relations which lead to our company, directly from the share owners or indirectly through other parties that have been interposed, can in the long run remain concealed from such investigations, because the share owners will not be inclined to submit incorrect statements in this regard, even if the contracts in question were concluded as "secret contracts." Neither can it be overlooked in this connection, that possibly—depending upon the kind of procedure adopted by the enemy authorities—these inquiries, through judicial assistance rendered by virtue of pertinent international agreements, can be made by the courts of the neutral homeland of the share owner or the interposed parties by means of sworn testimony.

[p. 5] For these reasons we have arrived at the conviction that real protection of our sales companies abroad against the danger of war seizure can be achieved only by our renouncing legal ties, direct or indirect, between the

14095 share owners and ourselves—which *legally* make it possible for us to appropriate the business shares of our sales companies—and, as a substitute for these legal ties, granting the [right of] appropriation of these assets to such neutral parties as, on the basis of human and personal relations extending over many years, and sometimes decades, offer the absolute guarantee that, in spite of their absolute independence and neutrality, they will never dispose of these assets in any manner that does not take full account of our interests. This guarantee exists also for the eventuality that through some complications at present not foreseeable, an accord with us would be made temporarily impossible, for technical or political reasons, which would normally be a matter of course by reason of our friendly relations. The decision to take this new course has been made essentially easier for us by our experience during the war. As an example of the fact that real pro-

tection of our interests can lie only in the human trustworthiness of our business friends abroad and not in any legal obligations, we should like merely to adduce the following case:

After the entrance of the United States into the World War, the entire assets of our founding companies in the United States were seized and for the most part sold by the American authorities to competitor enterprises, whereby for the very first time the foundation for the development of the present-day American chemical industry was created. In this situation the representative of the Hochster Farbwerke [Dye Works], General H. A. Metz, [p. 6] observing to the full his duties as an American citizen, staking his entire personal fortune, without any instructions and without any legal obligation

14096 whatsoever in the matter, bought up from the American sequestrator the assets, particularly the patent property, of the Hochster Farbwerke, and after the termination of the war placed it once more at the disposal of our founding firm in return for reimbursement of his outlays. In the situation at that time, in which, according to English-American war [time] laws, all contractual relations with the enemy were automatically suspended by the entrance into the war, only the personal element was conclusive.

We believe that those neutral individuals and firms which are now to be granted the [right of] appropriation of our sales companies abroad, will, if the occasion should arise, likewise prove to be true friends of our enterprise, as was the case in the example, among others, cited from the World War.

We would be grateful to you if you gave your consent, for the above reasons once more briefly summarized by us, to the structure chosen by us, which deliberately renounces legal ties, direct or indirect, with the share owners of the sales companies.

For the reasons described above, we also intend to renounce an obligation to be assumed by Chehamij and its

shareholders toward us, under which there would be remitted to us any excess profits, i.e. profits substantially in excess of the guaranteed minimum dividend of 6%; rather only an obligation toward the Swedish creditor of Chehamij is contemplated to use such excess profits in any given case to repay the credit obtained in Sweden. To
14097 the extent to which this credit is repayed, our blocked balance with the Enskilda Bank will be released, so that in this manner we will constantly be receiving the profits of our sales companies—less the costs involved in the arrangement selected. We remark in this connection that of course [p. 7] we shall take pains to keep these profits of our sales companies as low as possible by fixing our export prices accordingly, insofar as this can be done without arousing the suspicions especially of the tax authorities of the countries in question.

In the conferences with you, the question was also raised as to whether the shares of Chehamij could not be deposited in Germany. We seemed to be in accord, however, in our conviction that it would seem extremely implausible, and incompatible with the cloaking aim intended, if the foreign shareholders of a foreign company, who are not subject to any foreign-exchange restrictions, would deposit their shares in a country whose laws impose such severe restrictions on commerce in foreign exchange, as is at present the case in Germany.

Finally, in reply to the question asked by you, we take the liberty of informing you that the shareholders of Chehamij are the following firms:

1) Mapro, Maatschappij tot Bevordering van de Fabricatie van en den Handel in Producten der Chemische Industrie in Nederland en Kolonien N.V. Amsterdam ---------- 51%

2) N.V. Internationaal Kontoor voor het Beheer van Fondsen, Amsterdam ---------- 24½%

3) Parta A.G., Lausanne ---------- 24½%

~~14098~~

14098 The banking house of Ed. Greutert & Cie, Basle, which is friendly to us, and I.G., Chemie, Basle, have decisive control of these companies mentioned above, and thus also of Chehamij.

We would like to suggest that the objections mentioned by you in our conferences, to integrating Swedish parties into the entire structure, could be taken up once more orally, if the occasion should arise.

If you should need still further data or explanations regarding the applications submitted by us, we would be grateful if you got in touch with us by telephone (12 00 21).

Heil Hitler!

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT

signed Kruger signed ppa. Kersten

Legal Div. Dyestuffs, Frankfurt.

• • • • • • • • • • • •

14177 **Def. Exhibit No. 396**

Translation from photostat of German original

Power of attorney

We participate 50% in the firm Zaklady Chemiczne w Winnicy S. A., Winnica.

In this capacity we herewith give power of attorney to the I. G. Farbenindustrie Aktiengesellschaft, Frankfurt on the Main, to negotiate with the German Government concerning the aforesaid firm. We, on our part, expecially agree that all measures shall be taken with regard to the continuation of the production and the sale of the stocks on hand which are required by the present situation.

[handwritten:] 188,000.00 I.G. Ch.
12,000.00 Administration Board shares [?]

[illegible notes in shorthand]

• • • • • • • • • • • •

~~14179~~

14179 **Def. Exhibit No. 397**

Translation

Urgent!

From Farben Management Department
to Teletype Center,
Basement - Q 5 - Room 950.

Teletype Communication

Recipient: Mr. Mueller, *Wipo* [Economic Political Department] in Berlin - *L* /?/ Date: September 12, 1939.

We request you to forward the following teletype communication to Dr. von Schnitzler, Hotel Adlon, in a closed envelope: Gadow of the I. G. Chemie, Basle just telephoned that he cannot send the requested power of attorney for the time being since the question has not yet been definitely decided whether as a Swiss firm the I. G. Chemie can issue such a power of attorney at all. The I. G. Chemie, will possibly confine itself to the issue of a certificate stating how much share-capital of Winnica is in its hands. I. G. Chemie's private reason for doing this is that it would not like to prejudice any measures taken by the Swiss federal authorities with regard to Swiss property in Poland. Gadow emphasized that he did not want to cause us difficulties in any way. I told Gadow that the drawing up of the power of attorney would even be in the Swiss interest since in the present case the interests of the I. G. Chemie would certainly be safeguarded most quickly through the I. G. I further declared that the issue of a certificate referring merely to the shares held by the I. G. Chemie in Winnica could hardly be of any practical use in the present case. Gadow will let us have the final answer here by 10 o'clock Thursday morning so that the decision will be there in time for the conference with Muhlert.

Eckert.

Please return at once
directly to Farben Management Department.

14299 **Def. Exhibit No. 425**

Translated from photostatic copy in German

Copy

I. G. Berlin NW 7 August 5, 1939
Zefi

Memorandum on the conference in Berlin NW 7 on the 2nd Aug. 1939 re. Chemische Handel Maatschappij N.V., Amsterdam

Present: Dr. Sturzenegger, Basle,
Brehm, Amsterdam,
van Meer, Amsterdam,
Dr. Secherling, Frankfurt a/M.,
Dr. Kruger, Berlin (at times),
von Meister, Berlin,
Henze, Berlin,
von Soiron, Berlin.

At the beginning, Dr. Kruger discussed the way in which the shares or participations of the sales companies or the options respectively are to be transferred and described the position of the managers and of the members of the supervisory board of Chehamij. It is planned that Mr. Brehm be the sole manager at first. He is to regard commercial questions to be his proper sphere of activity, while as representative of the supervisory board especially Mr. van Meer is to deal with the legal problems. But manager as well as the supervisory board will consult each other always before important questions are decided or transactions of consequences are carried through.

Mr. Brumm, Basle, said that it would be desirable to limit the right of the management in representing the company to the public in such a way that one of the two signatures required according to the by-laws would
14300 have to be given by a member of the supervisory board even in the case of the existence of a second manager. Mr. van Meer points out that such a thing is

not usual in Holland, unless it would be a delegate of the supervisory board. The compulsory co-representation to the public of the supervisory board might focus too much attention on the shareholders; however that would naturally not prevent the management internally from having to ask for the consent of the supervisory board. We will not include into the by-laws a compulsory co-representation of the supervisory board. For the time being, however, the co-representation of the supervisory board results from the fact that only one manager was appointed, and for this reason the second signature has to be given by a member of the supervisory board in compliance with Sec. 10 passg. 2 of the by-laws.

The following discussion on the guarantee of dividends to the extent of 6% to be granted to the shareholders by I.G. led to the universal acceptance of Dr. Secherling's suggestion to choose the form of an agreement in favour of third persons. The obligation of I.G. to compensate the shareholders for a deficiency in dividends up to 6% annually shall be declared to a Swiss lawyer proposed by Dr. Sturzenegger. A corresponding document will be filed with the lawyer.

This guarantee of dividends is not to mean that there will be no higher payments than 6% to the shareholders. They are to receive, on the contrary, up to 5% of the net profits realized by Chehamij beyond a dividend of 6%, the highest dividend, however, being 8%.

Larger net-profits of Chehamij are to be used for the creation of

14301 reserves, and all agree that these reserves though not legally but economically belong to I.G. and that their payment to the shareholders would represent an unjustified enrichment because the income of Chehamij results from the channelling of profits of the sales companies.

Liquid funds at the disposal of Chehamij after the payment of interests, dividends, and expenses are above all to be used for regular repayments on the Swedish credit.

The request of Dr. Sturzenegger to have Parta A.G. share

[redacted]

with 25% is to be complied with, so that the Chehamij shares are distributed as follows:

Mapro	51%
Parta	25%
Kantoor	24%

Mr. van Meer points out that according to Dutch law the company may acquire up to 50% of its own shares, which perhaps may be of importance some day for the participation of Kantoor.

It was refrained from putting down the agreement arrived at regarding the various questions in the form of a written engagement or confirmation. It has been provided, on the contrary, that the gentlemen concerned will meet about once a year in order to brush up the guiding principles to be followed by discussion and to fix them a-new in case of need.

Shortly, there will be a conference with Ministerialdirigent Schlotterer on the application for the permission of the transaction which has been filed
14302 with the Reich's Ministry of Economics. After that, the general meeting of Chehamij is to be called as quickly as circumstances allow.

sgd. v. MEISTER

Distribution: Director DR. KRUGER
MR. v. MEISTER
MR. HENZE
Legal Dep. Dyestuffs, Frankfurt

14306 **Def. Exhibit No. 427**

Translation from a photostat of a copy of a German original

I. G. FARBENINDUSTRIE AKTIENGESELLSCHAFT
Central Finance Administration
Berlin NW 7.

Dr. Tobias Christ, Attorney
Sternengasse 2
Basle

Sept.20, 1939

Finance Secretariat
vS/Ri 2730

During the course of the next weeks, the N.V. Chemicalien Handel Maatschappij, Amsterdam, will increase its capital from hfl. 10,000, to hfl. 1,000,000, out of which totally nom. hfl. 200,000 fully paid shares will be issued. On the preliminary condition that this capital increase is carried through, we undertake the obligation towards you, in case Chehamij distributes less than 6% or no dividend on these shares, to make payments to the then holders of these shares, by way of compensation, to an extent that gives them the same standing as if Chehamij had distributed a 6% dividend. The claim becomes due two weeks after the general stockholders' meeting of the Chehamij in which resolution is passed whether and what dividends are to be distributed. The obligation is to be fulfilled in Basle, and in Dutch currency.

The above-mentioned applies to the year 1939 in proportion of time [pro rata temporis], i.e. for the already issued nom. hfl. 10,000 effective from July 1, 1939, and for the remaining nom. hfl. 190,000 effective from the day of payment of this amount, also if and as far as this amount is placed at first at the disposal of Chehamij as a loan, before the shares are issued.

14307 [p. 2] We hereby confirm our promise that you are authorized to designate a representative who, in the

event of your withdrawal—either by death, incapacity or other circumstances—will be in a position and entitled to assert legal claims resulting against us from this agreement. Furthermore, it is agreed that you as well as your representatives as well as the shareholders of Chehamij can independently assert against us the claims resulting from the agreement.

The agreement is subject to Swiss law. The competent court shall be at Basle.

Very truly yours,

I. G. FARBENINDUSTRIE AKTIENGESELLSCHAFT

14316 **Def. Exhibit No. 430**

Translation from photostat of German original

I. G. FARBENINDUSTRIE AKTIENGESELLSCHAFT
Central Finance Administration
Berlin NW 7

To:
Reich Ministry of Economics
Berlin W 8
Behrenstrasse 43

October 3, 1941

Our reference:
Finance Secretariat
Hz/Hh 3085
[handwritten:] 4039

Re: Measures for securing our share-property abroad

We refer to your permit of August 31, 1939—V Dev. 2 36283/39. With the applications resulting in this permit, we informed you that we induced business-friends abroad to establish in Amsterdam the Chemicalien-Handelsmaatschappij which was to take over the entire share-capital or parts thereof such sales companies of our firm which we considered particularly endangered.

As we pointed out on page 12, last section, of our letter of June 26, 1939, we attach great value to securing our influ-

ence to its full extent on both the Dutch company and the sales companies moored in it. Since in view of this fact the shareholders of the company gave up all exercise of influence, we felt induced to grant them a dividend guarantee of 6%. At that time one could assume that the dividend guarantee would remain practically ineffective since the Dutch company would have sufficient receipts to pay dividends on its owir part. These expectations have not been realized

14317 since owing to the German occupation of the Netherlands the Dutch Company was cut off from its participations located in the Empire and had, accordingly, not sufficient receipts to decide on a dividend. It is for these reasons that for the business year of 1940 the question of the dividend guarantee granted by us has come up for a Swiss shareholder whose participation in the Dutch company amounts to hfl. 55,000. Since the claim against us, amounting to 6% of hfl. 55,000 = hfl. 3,300 = sfrs. 7,576.14, has been asserted by the representative of the shareholder, Mr. Tobias Christ, lawyer, Basle, we request you to authorize us to dispose of Foreign Exchange to the equivalent of sfrs. 7,576.14 in favor of Mr. Tobias Christ, lawyer, Basle.

Heil Hitler!

I. G. Farbenindustrie Aktiengesellschaft
[stamps:] sgd. ppa. Rong sgd. i.V. Henze

1 duplicate

~~14015~~

14319 **Def. Exhibit No. 431**

Translated from a photostatic copy of the German original.

Dr. Tobias Christ
Sternengasse 2
Basle

Basle, November 19, 1941

To: I. G. FARBENINDUSTRIE A. G.
Central Finance Administration
Attention: Mr. Hanns Gierlichs, Lawyer
Finance Secretariat
Unter den Linden 78
Berlin NW 7

Dear Sirs,

As regards *the dividend guarantee of I. G. Farbenindustrie A. G. in favour of the shareholders of Chehamij,* I received from you the amount of sfrs. 7576.14 which I passed on according to instructions.

Yours truly,

[sgd.] Dr. Tobias Christ

14324 **Def. Exhibit No. 433**

Translated from a photostatic copy of German original

Dr. Tobias Christ
Sternengasse 2
Basle

Basle, February 11, 1943

To: I. G. FARBENINDUSTRIE A. G.
Central Finance Administration
Attn.: Mr. Hanns Gierlichs, Lawyer
Finance Secretariat
Unter den Linden 78
Berlin N W 7

Your ref.:
F. S. Hz/Hh/D 8/2298

Dear Sirs,

As to the dividend guarantee of I. G. Farbenindustrie A. G. in favour of the shareholders of Chehamij, I received

~~14329~~

from you fr. 7,556,68, which I have transmitted according to instructions. Thus my letter of the 3rd inst. addressed to you has been superseded.

Yours truly

[sgd.] Tobias Christ

14329 **Def. Exhibit No. 435**

Translated from a photostatic copy of the original.

~~Dr. Tobias~~ Christ
2, Sternengasse
Basle

Basle, February 18, 1944

Your reference:
Hz/Hh. 158

To: I. G. Farbenindustrie Aktiengesellschaft,
Central Finance Administration,
Attention: Mr. Hanns Gierlichs, Lawyer
Finance Secretariat
Unter den Linden 78
Berlin NW 7

Dear Sir,

I beg to acknowledge receipt of your letters of January 11, and February 8, 1944 regarding guarantee for dividend. Meanwhile, I also received the amount of francs 15,152.60, e.g. twice francs 7576.30. I am unable to find an explanation for receiving the requested sum twice. For the time being I remitted only the first half to the payee, pending receipt of your instructions. Am I to understand that you have already remitted the dividend sum guaranteed for 1943, though I only just claimed the dividend sum guaranteed for 1942? May I ask you to enlighten me on this point and to authorize me to remit to the payee also the second amount of francs 7576.30.

Yours very truly,

[sgd.] Dr. Tobias Christ

~~14331~~

14331 **Def. Exhibit No. 436**

Translation from photostat of typewritten copy in German

To:
Dr. Tobias Christ
Basle/Switzerland
2 Sternengasse

Our ref: F.S.Hz/Hh. 344 March 18, 1944

We acknowledge receipt of your letter of February 18, 1944, and inform you that the amount due to you was transferred by mistake twice. As we are not in possession of a foreign exchange permit to remit the amount probably falling due for 1943 already now, we should feel obliged to you if you would re-transfer sfrs. 7,576.30 to our credit to the banking house of Sturzenegger & Cie., Basle.

Yours truly,

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT
[stamp] Scherer Henze

14341 **Def. Exhibit No. 440**

Translation from a photostatic copy of German original

To: TOBIAS CHRIST, Attorney
Basel
2 Sternengasse

March 27, 1945

Our ref: Finance Secretariat
D 8 Hz/We 137

We beg to inform you that we have instructed the bankinghouse of H. Sturzenegger & Cie., Basle, to pay to you sfrs. 7,590.— to the debit of our account with this bank. In view of the German credit balances having been blocked on the part of Switzerland, a payment might, however, not be allowed. From here we cannot judge, whether the Swiss clearing office will correspond to an application for payment or which conditions must be fulfilled to get the money released. We therefore think it advisable to get into touch

with the aforementioned bank, in order to consult whether you or the bank make an application. Should a permit be granted, we ask you to inform the bank accordingly, so that it may comply with our order for payment.

We regret to have to cause you these troubles and are

Yours truly,

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT

[stamp] Scherer Henze

Copy for credit department in this building

14423 **Def. Exhibit No. 469**

Translated from a photostatic copy of the German original.

[Handwritten notations appear in brackets]

Stamp: September 11, 1939

Eduard Greutert
Basel
St. Jakobsstrasse 22
Telephone 41.827

G/Sch Basle 2, September 9, 1939

[Dr. v. Rospatt]

I. G. FARBENINDUSTRIE AKTIENGESELLSCHAFT
Frankfurt a.M.

Your references Roumania S/W

After receipt of your letter of the 6th inst., I sent a power of attorney signed by me to Director Albert Beck of the "Romanil" S.A., Bucarest, to act as a proxy in the forthcoming extraordinary general meeting of this company. Please find enclosed copy of my covering letter to Mr. Beck.

Respectfully yours,

((sgds)) Eduard Greutert

1 enclosure

((Handwritten notes))

[What participations did Greutert hold?

Romanil Lei 1,500,000

with Budanil, Carlo Mollwo, Basle,

Director? Greutert

14424 Credit with Romanil ?

For financing the participation of Romanil / Colorin / taken loan anil, Timanil, Ceranil a / of *sfrs 91,560.*—was / from Greutert. According to . . . ?. . . . of June 20, 1938, this corresponds to a book value of Lei 2,940,000]

14429 **Def. Exhibit No. 470**

Translated from a photostatic copy of the German original

I.G. Farbenindustrie Aktiengesellschaft

Frankfurt a.M., November 16, 1939

To

Dr. Hans Sturzenegger,

Basle.

You are the holder of nominal Lei 1,500,000 shares of the "Romanil" Aktiengesellschaft fur Teerfarben- und Chemikalienhandel, Bukarest.

By private deed of November 21, 1939, we have placed at your disposal the purchase price of Lei 1,500,000 as a loan with an interest of 5 per cent.

We hereby confirm the agreements made with you upon which your obligation to pay interest shall be set off each year against your claim on dividends. In case the distribution of dividend of the "Romanil"—Aktiengesellschaft fur Teerfarben- und Chemikalienhandel, Bukarest amounts to an interest higher than 5% in one year you will pay us the excess while we assume the obligation to pay to you the corresponding amount, should the payment of dividend at the "Romanil" Aktiengesellschaft fur Teerfarben- und Chemikalienhandel, Bukarest ever remain below 5 per cent.

14430 We ask you to sign the enclosed copy of this letter as a token of your agreement and send it back to us.

I.G. Farbenindustrie Aktiengesellschaft
signed per procura Schlatter
" " " von Rospatt

Agreed:
H. Sturzenegger

14431 Translated from a photostatic copy of the German original

[Handwritten notations appear in brackets]

Acknowledgement

I, the undersigned Dr. Hans Sturzenegger, Basle, by private deed of November 21, 1939 have offered for cession nominal Lei 1,500,000 (one million five hundred thousand) shares of the "Romanil" Aktiengesellschaft fur Teerfarben- und Chemikalienhandel, Bukarest
to the I.G. Farbenindustrie Atkiengesellschaft, Frankfurt a.M.

I hereby acknowledge that I got the necessary means for the acquisition of the shares from the I.G. Farbenindustrie Aktiengesellschaft, Frankfurt a/M. as a loan; consequently I owe them the total of Lei 1,500,000.

I assume the obligation to pay an annual interest of 5 per cent on this loan and acknowledge hereby that in acquiring my shares the I. G. Farbenindustrie Aktiengesellschaft Frankfurt a.M. is entitled to set off the claim against me plus an interest of 5 per cent from the beginning of the business year current at the date of the acquisition against the purchase price.

14432 [In case the I.G. Farbenindustrie Aktiengesellschaft recalls from me the above mentioned loan of Lei 1,500,000 I am entitled, on the other hand, to hand over my nominal Lei 1,500,000 "Romanil" shares in lieu of pay-

ment resp. to pay off my debt by cession of the claim to hand over these shares.]

Basle, November 21, 1939

((sgd:)) H. STURZENEGGER

14433 *Translated from a photostatic copy of the German original.*

[Handwritten notes appear in brackets]

Offer of Sale

1.) I, the undersigned Dr. Hans Sturzenegger, Basle, am the holder of nominal Lei 1,500,000 shares of the "Romanil" Aktiengesellschaft fur Teerfarben- und Chemikalienhandel, Bukarest.

2.) I hereby offer for sale the shares mentioned above, with legal effect for me and my heirs, to the I.G. Farbenindustrie Aktiengesellschaft, Frankfurt a.M. or, at their request, to a third party to be named by them against reimbursement of the amount actually paid in by me for these shares plus an interest of 5 per cent from the beginning of the business year current at the date of the sale.

3.) The offer of sale of section 2 is irrevocable and is valid for a period of 30 years after this declaration. The offer of sale may also be accepted after my decease by the I.G. Farbenindustrie Aktiengesellschaft, Frankfurt a.M., or the third party named by them and I renounce, with binding effect for me and my heirs, to be informed of the declaration of acceptance.

I assume the obligation not to dispose of the shares mentioned above without the consent of the I.G. Farbenindustrie Aktiengesellschaft, Frankfurt a.M.

14434 The above agreements are subject to German law.

Basle, November 21, 1939.

((sgd:)) H. STURZENEGGER

I.G. Berlin NW.7
Unter den Linden 82
10 208.

Def. Exhibit No. 472

Translated from a photostatic copy of a copy of the German original

Copy

Sd.

To the
Oberfinanzprasidenten
((Chief Finance President))
Berlin (Devisenstelle)
(Office of Foreign Exchange Control)
Berlin C 2
Neue Konigstr. 61-64

October 31, 1939
Finance Secretary OD 9
Kl/Bg. 3129.

Transfer of shares of the "Romanil" Aktiengesellschaft fur Teerfarben—und Chemikalienhandel, Bukarest.

Permit dated November 8, 1938—Reference 10 No. 21948/10 Ri.—

We refer to your above mentioned permit by which you approved the transfer of a part of the share capital of the "Romanil" to the amount of nominal Lei 775,000 to trustees and to our statement in this connection, dated September 30, 1938. We beg to add to it the following application:

14440 As already known to you from the application submitted by us at the time, the share capital of the "Romanil" amounts to Lei 5,000,000 and is held for us to its full extent by trustees. One of our trustees, Mr. Ed. Greutert of Basle, died some time ago. His participation in the "Romanil" amounted to Lei 1,500,000. We intend to transfer this participation to Dr. Sturzenegger of Basle as our trustee. Dr. Sturzenegger is Aryan, of Swiss nationality and is a partner of the banking firm of Ed. Greutert & Cie. Basle. Therefore, we ask you to grant us the permit to transfer Lei 1,500,000 shares of the "Romanil" Ak-

tiengesellschaft fur Teerfarben—und Chemikalienhandel, Bukarest, to Dr. Sturzenegger, Basle as our trustee.

Heil Hitler!

I. G. FARBENINDUSTRIE AKTIENGESELLSCHAFT
((initials illegible))

14464 **Def. Exhibit No. 480**

FOREIGN DEBTS DEPARTMENT OF THE REICHSBANK
Berlin C 111, Breite Str. 8-9 II

To the
Deutsche Golddiskontbank
Guarantee Department for Foreign Credits
Berlin C 111

Your ref.	Your ltr. of	Our ref.	Date
Re:		AfA 200 040 Gra/Bl.	Jan. 14, 1943

Of the credit which, in accordance with the provisions of Article 3(7), is at the disposal of the I. G. Farbenindustrie, Aktiengesellschaft, Berlin, with the bank of H. Sturzenegger & Cie. in Basle, a partial amount of

sfrs. 319,455.44

has become due on the 2nd of this month. Under the agreements this credit line, on that date, becomes merged again with the bulk of the credits which are subject to the Credit Agreement. Consequently, the parties have now exchanged declarations to the effect that they join the German Credit Agreement.

We ask you to post this cash advance on your books and refer you as to further action on it to the copy sent you of our letter AfA 200029 of Jan. 1, 1943.

DEUTSCHE REICHSBANK
Foreign Debts Department
[sgd.] Granzer

14466 **Def. Exhibit No. 481**

Deutsche Reichsbank
Foreign Debts Department
To the
Deutsche Golddiskontbank
Guarantee Department for
Foreign Credits
Berlin C 111

AfA 200 046 Eh/Ste. Jan. 13, 1944

We beg to inform you that the credit line of the I. G. Farbenindustrie AG., Berlin, with the bank of H. Sturzenegger & Cie. in Basle, which was subject to Article 3(7), has, to the amount of

— sfrs. 319,455.42 — cash

upon the due date become merged again as an open line with the bulk of short term credits. Declarations of joinder have been submitted.

We ask you to send us a voucher of the bookkeeping entry.

DEUTSCHE REICHSBANK
Foreign Debts Department
[sgd.] Granzer

14468 **Def. Exhibit No. 482**

Translation
Copy

To the
Deutsche Golddiskontbank
Guarantee Department for
Foreign Credits
Berlin C 111

AfA 200 046 II. Ang.
Gr/Ste. Jan. 20, 1944

Referring to the correspondence exchanged with you as to the credit granted the I. G. Farbenindustrie, Berlin, which originally amounted to sfrs. 958,366.30, we beg to inform

you that the bank of Zahn & Cie. in Basle is ready to take over from you the open credit line of

sfrs. 319,455.42

which resulted from the partial payment recently made and your waiver relative thereto. Anticipating your ready agreement to the transfer we have approved of this open line now being placed with the bank of *Zahn & Cie.* in Basle in accordance with

14469 the provisions of Article 9(4) of the German Credit Agreement of 1943.

Very truly yours,

DEUTSCHE REICHSBANK
Foreign Debts Department
Signature

To H. Sturzenegger & Cie, Bank, Basle 2, P.O.B.

.-,-.-.-

Copy forwarded for your information.

DEUTSCHE REICHSBANK
Foreign Debts Department

14502 **Def. Exhibit No. 490**

[Translation from typewritten copy in German]

To: Reichswirtschaftsministerium
z. Hd. von Herrn Ministerialdirigent
Dr. Landwehr
[Ministry of Economics—attention Dr. Landwehr]
Berlin W 8
Behrenstr. 43

November 12, 1941

Our ref: Finance Secretariat
g/Ku 3471

Re: Exchange of I. G. Chemie shares held by Norsk Hydro against Norsk Hydro bonds.

Referring to the exhaustive conversation between Dr. Landwehr, Ministerialdirigent, and Mr. Maiwald, Reichs-

bankrat, on your side, and the two undersigned, on our side, we beg to summarize our verbal explanations as follows:

As you know from the negotiations of last year—see especially our applications of May 15, June 24 and August 24, 1940—we tried last year to protect by corresponding measures General Aniline and Film Corporation (G.A.F.) which, in spite of its financial and economic independence from us, we have to regard as a decisively important strong point for our export and the maintenance of our American position in general, from the possibility that our competition, through an arbitrary act of the American authorities resulting from the aggravation of the political relations between Germany and the U.S.A., is enabled to lay hands on G.A.F., and thus, as it was the case in World War I, to come into possession of our experiences and technical knowledge accumulated in G.A.F. Within the scope of these endeavors it was

14503 of decisive importance that I. G. Chemie shares, held by German shareholders (I. G. itself does not possess any I. G. Chemie shares) were reduced to such an extent that by no means more than 15% of I. G. Chemie's capital remained [p. 2] in German possession, because I. G. Chemie controls G.A.F., and a stronger German participation in I. G. Chemie would have given American authorities a pretext to consider G.A.F. to be indirectly under German influence.

As we now learn from our Swiss friends, the benefit resulting from the measures carried through last year which led to a reduction of I. G. Chemie shares held inside Germany to about 14% of the total capital, is newly endangered by the fact that Norsk Hydro Elektrisk Kvaelstofaktieselskab in Oslo owns about 20,700 I. G. Chemie shares fully paid in and 1,390 I. G. Chemie shares partially paid in. On principle, though, the American authorities do not recognize the territorial changes which took place during this war; that means in this connection that the I. G. Chemie shares owned by persons in the occupied countries have until now

not been considered as German possession in spite of the political control over these territories by Germany. In the case of Norsk Hydro, however, the situation is different in so far as the increasing German influence on Norsk Hydro and the insertion of this company into the German armament program have become known and were frequently discussed in public abroad. Consequently, Norsk Hydro is looked upon as an enterprise economically under German control, with the result that I. G. Chemie has to reckon with it that the I. G. Chemie shares in possession of Norsk Hydro will be considered as additional German possession. Thereby last year's endeavors to reduce the German participation in I. G.

14504 Chemie's capital would practically have been in vain to a large extent. I. G. Chemie has drawn the attention of Norsk Hydro to this situation and to the dangers threatening I. G. Chemie and Norsk Hydro as shareholder of I. G. Chemie; I. G. Chemie recommended to Norsk Hydro the sale of the I. G. Chemie parcel to Switzerland, as only by this transaction the existing special dangers could be eliminated.

Norsk Hydro itself had already considered the question of sale of the I. G. Chemie parcel for the following reasons: It had bought the I. G. Chemie shares already many years ago at the very high price at that time and, in [p. 3] view of the not always very successful development of business in the past years, could only make small depreciations on this parcel. However, the price situation of I. G. Chemie shares, resulting from the political development, would now have forced Norsk Hydro to make very considerable depreciations. On the other hand, Norsk Hydro has placed, in 1937, a Swiss part of its bonds amounting to nominal sfrs. 30,000,000 mainly in Switzerland, the price of which, in consequence of the political development in Norway and the transfer difficulties resulting from it, is considerably depressed at the present time. Norsk Hydro, therefore, desired:

1.) to sell the I. G. Chemie shares with which too many risks are connected, but to compensate—at least to a considerable extent—the inevitable balance-loss resulting from the sale of I. G. Chemie shares by realization of the gain possible at present on its bonds,

2.) to reduce thereby at the same time the foreign indebtedness with its considerable currency risk, and

14505 3.) to arrive at a cleaning of its balance sheet by these two results. Therefrom developed Norsk Hydro's plan to sell its I. G. Chemie shares in Switzerland and to use the proceeds for the redemption of a considerable portion of the Swiss part of its bonds, making use of the present price situation.

The execution of this plan of Norsk Hydro, in our opinion, has to be fully supported from the German point of view, since by this transaction the possibilities of inserting Norsk Hydro to a still larger extent into the German armament program could be increased considerably. We have had the opportunity to discuss with the Reichskommissariat Norway (Mr. Berghold, Oberregierungsrat) Norsk Hydro's planned transaction in its main features; Mr. Berghold— on principle—agrees to and welcomes it. Likewise, Norsk Hydro has been granted directly by Norges Bank the required approval.

The negotiations conducted thereupon in Switzerland resulted in finding a basis, recognized by all participants, as tenable, for the submitting of an offer for redemption of Norsk Hydro bonds. As was to be expected, however, the placement of the I. G. Chemie shares in Switzerland at the present [p. 4] time caused great difficulties. On the one hand, the taking over by I. G. Chemie itself of the shares for the purpose of calling them in, even against payment of Swiss francs, by the company, could not be taken into consideration, apart from the question of liquid funds, because the company—after the experiences made last year in calling in the 50,000 partially paid-in I. G. Chemie shares out of German possession—had to expect reproaches of the

other shareholders, the Swiss in particular, who would have seen rightly in such a transaction a privilege granted to a single group of shareholders.

14506 On the other hand, the political risk weighing on the I. G. Chemie shares could be considered so great—specially by an outsider—that it seemed practically impossible to find a Swiss buyer for the parcel.

I. G. had a strong interest of its own in both parts of the planned transaction, viz. in the sale of the I. G. Chemie parcel to a Swiss party on account of the strengthening of the protection of its American interests achieved thereby, and in the execution of the Norsk Hydro transaction as holder of a large share-parcel of this company on account of the above-mentioned cleaning of the financial position of Norsk Hydro and the resulting increase of the possibilities of inserting Norsk Hydro in the German interest. In the view of this interest, had it not been opposed by the well known cogent considerations, we would have been willing to acquire the I. G. Chemie parcel ourselves, the more so as on account of our more special knowledge of the situation we neither underestimate nor overestimate the risk attached thereto. Therefore, in the negotiations with the Schweizerische Bankverein in Basle, where we met a gratifying understanding for the particularities of this transaction and the situation of all those concerned therein, we could explain to it from the beginning that we were ready to give them every support to master the difficulties arising normally for a big joint-stock bank with regard to the acquisition of such a share parcel and the assuming of the risk resulting therefrom. The particular difficulty lay in the necessity of giving the agreements to be made with the Bankverein [p. 5] about the covering of the risk a wording enabling it to act as genuine unrestricted owner of the share parcel towards the American authorities, and to

14507 give and, in case of need, to swear to all the declarations required in this connection. In order to separate the German support in the transaction from every

external connection with our firm—as you know we attach great importance to being able, in future too, to declare to all American inquiries that we have not been interested at any time in I.G. Chemie directly or indirectly—we have requested Deutsche Landerbank A.G., Berlin, to appear towards the Bankverein as bearer of this risk, especially as by its insertion an interest of all German Norsk Hydro shareholders and not only of I.G. could be shown towards the Bankverein. The result of our detailed negotiations with the Bankverein has been summed up in the attached memo, which deliberately emphasizes by its wording only the view points important to Bankverein—in case the question about the reasons of its participation in this transaction should ever arise—while our interest in the other aspect of the entire transaction, i.e. the protection of our American relations, had, of course, to be left out of this memo under the circumstances. It is planned to have this memo signed provisionally by the firms concerned and that beyond this, no correspondence in this question will be carried on. As you will see from this memo, Deutsche Landerbank intends to declare to Bankverein that it has the official permits necessary for the fulfillment of its promises. We should, therefore, feel obliged if you could transmit to Deutsche Landerbank, to our hands, a corresponding assent.

As we had occasion to explain during our conversations, Bankverein and we are agreed that the perhaps necessary compensation in favor of Bankverein shall—if in any way possible—not be effected by a payment in francs on
14508 our part, but by the execution of a transaction which grants Bankverein a [p. 6] special benefit permitting the compensation of the incurred loss. We are certain that, in view of the far extending relations between Bankverein and not only our company, but the German economy in general, it will be possible to find within this scope a possibility of compensation on a business basis, by which foreign exchange of our company or of the Reich will not be required. Nevertheless we gladly accepted your suggestion, advanced

14508

in our conversations, to word—if in any way possible—the assent to be given to Deutsche Landerbank to the effect that, if in spite of exhausting all possibilities such a way cannot be found, foreign exchange will be made available. We fully agree with you that by such a far-reaching promise the certainty, that no use will be made of it, is even increased, because we are convinced that just when Bankverein feels itself absolutely safe with regard to any possible risk, it will aid us calmly and without getting nervous after the first resultless attempts in our endeavors to come to a reasonable settlement on the aforementioned basis.

As regards the extent of the risks resulting from this transaction, we would like to state that, though the formal risk may amount theoretically to the total sum invested by Bankverein, namely sfrs. 8,560,000, plus possibly accumulated interest, the actual risk is not to be estimated that high, because even in case of a loss of all assets of I. G. Chemie, lying in America, so much other valuable property will still be left, as shown in the balance, that a payment of about 50% on the share capital can be regarded as certain in case of a liquidation. This, however, would mean—ignoring the question
14509 of interest—that the risk would be confined to the danger of a rate reduction from 80% to 50%, corresponding to an amount of sfrs. 3,210,000.

For completeness' sake we may point out that the Schweizerische Bankverein, particularly in view of its interests in the United States of America, has the intention, considered by us as very appropriate, to notify the American authorities—through a member of the administrative board of I. G. Chemie who, at the same time, belongs to the administrative board of Bankverein and who will enter into negotiations with authorities in the United [p. 7] States of America next week or the week after—of the intended purchase of the I. G. Chemie parcel as a means of rendering I. G. Chemie more and more Swiss. It is agreed between Bankverein and us that the beginning of the transaction is

to be postponed till after this date. Nevertheless, in view of the negotiations still to be conducted by us with Bankverein, we should feel obliged if the assent requested by us could be given as soon as possible, so that the transaction can be carried through as soon as the authorities in the United States of America have been informed.

For any further information we ask you to contact by phone (12 00 21) the right hand-undersigned.

Heil Hitler!

I. G. Farbenindustrie Aktiengesellschaft
signed Kruger signed ppa. Gierlichs

1 Duplicate
Enclosure

14704 **Def. Exhibit No. 506**

[Translation from photostat of German original]

I.G. Farbenindustrie Aktiengesellschaft
Central Finance Administration
Berlin NW 7

For Geheimrat [title] Schmitz [Stamp] June 3, 1941
via Director Dr. Ilgner

Subject: Participation of I.G. Chemie in the increase of Norsk Hydro capital.

Financial Secretary
B/Br.
June 3, 1941

While Dr. Frank-Fahle and Dr. Bachem were in Basle, they also discussed the participation of I.G. Chemie in the increase of the Norsk Hydro capital with Dr. Gadow and Dr. Sturzenegger. These gentlemen re-emphasized in principle their great interest in participating in the capital increase; they said, however, that an expenditure of Swiss francs was impossible, because of the attitude of the Swiss clearing office, on the one hand, and because, on the other

hand, the Norsk Hydro shares are, or are going to be, blocked assets, and would therefore have to be written off to approximately 25% at the very outset. For the same reasons, a set-off against the credit taken up by Norsk Hydro with Sturzenegger for the re-purchase of the bonds—as suggested in our letter to I.G. Chemie—could not be considered. It would, however, be possible to follow the next suggestion, namely, that I.G. Chemie take up a credit with Norwegian banks, to be repaid from the Norsk Hydro dividends accruing to I.G. Chemie. However, I.G. Chemie must have the absolute guarantee that the credit be repaid only from the dividends on the Norsk Hydro shares, i.e. the old and the new ones. In addition, I.G. Chemie is ready to pledge the new Norsk Hydro shares as security for the credit.

Concerning the remark in our letter of May 7, 1941 to I.G. Chemie that the project of taking up this credit will encounter difficulties arising from the mutual participation of Norsk Hydro and I.G. Chemie [p. 2] and the dividends accruing in this connection, it must be noted that the Swiss clearing office will never approve an agreement for setting off the two dividends, since Switzerland has considerably higher claims against Norway than vice versa. Consequently, the Swiss clearing office is greatly interested,—in order to secure equal treatment of all Swiss creditors—that the monies owed by Swiss parties to Norway be paid into the funds established for this purpose at the Swiss clearing office. A unilateral set-off on the part of Norsk Hydro might be possible once, although even in that case the Swiss clearing office would create considerable difficulties; a second time, however, the Swiss clearing office would try to prevent such a set-off under all circumstances. (It must be pointed out in this connection that, thus

14705 far, the Swiss clearing office has not yet approved the application for permission to set-off the claim of Norsk Hydro against I.G. Chemie for dividends accrued in 1939 against the Norsk Hydro bond liabilities in Switzer-

land.) Moreover, as matters stand today, Norsk Hydro would have another object of compensation, since, now as before, it must pay interest on its bonds circulating in Switzerland. Should the Swiss clearing office grant a permission of this kind at all, such a set-off could then also be effected in the future. It may thus be said that the points to be brought up by Norsk Hydro have been given sufficient consideration.

[p. 3] Dr. Gadow requested that an attempt be made now to obtain the necessary credit for I.G. Chemie in Oslo under the conditions outlined above. I.G. Chemie is not interested in getting a letter from I.G. in this matter, but wants only a letter from Norsk Hydro. This letter should, first, contain the official statement on the planned increase in capital stock, with all details; second, with reference to preceding negotiations, it should furnish I.G. Chemie with all details concerning the securing of the credit. On the basis of this letter, I.G. Chemie would then contact the Swiss clearing office in order to secure authorization for this transaction, which would permit them to use the Norsk Hydro dividend for payment of interest on the credit and repayment of the credit itself. Only upon issuance of such license will I.G. Chemie be in a position to notify Norsk Hydro officially of its participation in the capital increase under the above conditions.

[Stamp] Sgd. Frank-Fahle

Copies to:
Director Dr. Ilgner
Director Dr. Frank-Fahle
Dr. Kersten

P.S. Negotiations have in the meantime been started with Norsk Hydro. Information received so far seems to indicate that it will be possible to pursue the course desired by I.G. Chemie.

~~14709~~

14709 **Def. Exhibit No. 507**

Translation from photostatic copy of German original

I. G. Farbenindustrie Aktiengesellschaft Berlin NW 7
May 7, 1941

Internationale Gesellschaft
fuer Chemische Unternehmungen A.G.,
(I.G. Chemie),
Basle, Switzerland

Re: Capital Increase of the Norsk Hydro, Oslo.

We refer herewith to the telephone conversation of the 5th inst., between the undersigned at the right and Dr. Gadow, and are taking the liberty of confirming the matter to you as follows:

On the occasion of the recent stay of our men in Oslo, the matters that are of importance to you in connection with the planned capital increase of Norsk Hydro, and the exercise of your subscription right resulting therefrom, were discussed also with the Economic Division of the Office of the Reich Commissioner for Norway. We pointed out in particular that in view of that fact that Norwegian assets must be considered blocked assets by Switzerland and also of the attitude of the Swiss National Bank, you could make a capital payment for the new Norsk Hydro shares you may eventually subscribe for only from frozen Swiss credits in Norway. For these reasons we have asked the Economic Division to grant permission for the utilization of credits of this kind for the aforementioned purpose. The men of the Economic Division replied that granting such a permission would meet with great difficulties, because the Economic Division had had the Norges Bank issue regulations prohibiting such utilization of frozen Swis credits and that it

14710 would of course not be easy for the German authorities to suggest now, in an individual case, that these regulations be broken.

~~14711~~

In an attempt to find a way out of these difficulties, the possibility was discussed of your raising in Norway, for the payment of capital at Norsk Hydro, an intermediate bank credit to be paid back from the dividend proceeds of your Norsk Hydro participation. In taking as a basis the dividends paid during the last few years, such a credit could be repaid in approximately five years. The raising of such a credit, for which the new shares could serve as surety, would cause no difficulties. A bar to this plan, however, are the well-known difficulties from the reciprocal participation of your company and Norsk Hydro and the dividend credits accordingly accruing to each of the companies in the other country.

Attorney Eriksen, with whom we likewise discussed the matter, proposed the following:

At present Norsk Hydro is buying up, with the help of a credit granted to it by the banking house of H. Sturzenegger & Cie., Basle, its Swiss-franc bonds issued there. In Mr. Eriksen's opinion, I.G. Chemie could repay this credit in Swiss francs at the Sturzenegger banking house up to the amount of the subscription of the new Norsk Hydro shares it takes over, and thereby meet its capital payment obligation. The transfer would be made at the proper time by Norsk Hydro taking over its own bonds. In the event that the purchase of the necessary quantity of Norsk Hydro bonds should require a longer time than corresponds to the dates on which the capital payment is due, you could raise an intermediate credit in Norway without difficulty, which would

14711 in turn be repaid by Norsk Hydro, in accordance with your payments to the Sturzenegger banking house.

During Dr. Bachem's recent stay in Basle you drew attention to the fact that in view of the Norwegian foreign exchange regulations you could treat the new Norsk Hydro shares only as blocked assets and consequently could not value them at the free stock exchange rate. We believe

that this point of view will be taken into account by issuing the new Norsk Hydro shares at par, although with a right to dividends only from the 1943-44 business year, compared to a stock exchange quotation of about 150% in Paris and about 200% in Oslo, which even after the capital increase should hardly undergo any substantial changes. In the subscription rate you therefore have already a rather considerable margin which could make the acceptance of Mr. Eriksen's plan as outlined above easier for you.

In compliance with your wish we are also enclosing for your information the drafts sent to us by Norsk Hydro:

1) of the invitation to the general meeting,

2) of the resolution taken at the general meeting on the capital increase,

3) of the invitation to subscribe.

We would be very much obliged to you for informing us very soon of your stand on this matter.

Very truly yours,

sig. pp. Kersten

Enclosures
Copies for
Dir. Ilgner
Dir. Pfeiffer

Def. Exhibit No. 549

Translated from a carbon copy of the German original

To: Reichswirtschaftsministerium
z.Hd. von Herrn Ministerialdirigent
Dr. Landwehr
[Ministry of Economics; Attention: Dr. Landwehr, Ministerialdirigent]

Berlin W8.
Behrenstr. 43

Our reference:
Finance Secretariat
G/Bt/3852

December 19, 1941

Re: *Increase of capital Norsk Hydro/I.G. Chemie, Basle.*

We are referring to yesterday's conversation between Dr. Landwehr, Ministerialdirigent, and the two undersigned in presence of Oberregierungsrat Sager, and give in the following a short summary of the statements we made there:

Before the capital of Norsk Hydro Elektrisk-Kvaelstofaktieselskab, Oslo, was increased, I. G. Chemie, Basle, participated with 72, 431 shares in this firm and has exercised the subscription right on 19,315 new shares of Norsk Hydro, falling to this participation on the occasion of the capital increase. The amount to be paid for these new shares totals n.Kr. 3,476,700. I. G. Chemie procured this Kroner amount by taking up credits with 3 Norwegian banks, namely Norge Kreditbank, Oslo, Christiana Bank og Kreditkasse, Oslo, and Bergens Privatbank, Oslo. The credit has been taken up at the time under the proviso that it will be repaid exclusively out of the dividend proceeds from the old and new Norsk Hydro shares, held by I. G. Chemie.

14868 According to our information, the three Norwegian banks checked on this basis with the Norges Bank before the credit was granted.

During the conversation with Oberregierungsrat Dr. Berghold, official of the Reichskommissiariat Norwegen [National Commissioner for Norway] last week, Mr. Berghold pointed out the following: At the instance of the Ministry of Economics, the Reichskommissariat expressed the point of view towards the Norges Bank—apparently after the Norwegian banks had contacted the Norges Bank with regard to the credit for I. G. Chemie—that foreigners, with the exception of the German shareholders, can only participate in the capital increase of Norsk Hydro if the amount will be paid in Foreign Exchange. However, remittances via clearing or the taking up of credits in Norway should principally not be permitted. One exception to this principle has already been made, viz. towards the Swedish shareholders. This concerns in the first place the Enskilda-bank and the family Wallenberg, towards whom exception has been made, because Norsk Hydro—as known—has approached the Enskilda Bank asking for large credits for the light metal works in Norway, founded by Germany. Some time ago I. G. Chemie instructed Norsk Hydro to get authorization from Norges bank that I. G. Chemie may use its dividend credit balances resulting from its old Norsk Hydro shares for the business years 1939/40 and 1940/41, totalling Kr. 1,173,200, for partial repayment of the credits arranged with the Norwegian banks. Norges Bank, thereupon, asked the Reichskommissariat for instructions how to react upon this application. Dr. Berghold told us that, in view of the reasons explained by us, he would not hesitate to confirm to Norges Bank that the

14869 Reichskommissariat agrees to a special treatment of this case; the reasons he is going to mention to Norges Bank will still have to be agreed upon in detail between him and us. However, in view of the Ministry of Economics having caused the blocking at Norges Bank, he attaches importance

to the Ministry confirming to the Reichskommissariat that it agrees to this treatment of the case.

Therefore, we asked you in our conversation of yesterday to notify correspondingly the Reichskommissariat in Oslo as soon as possible, since I. G. Chemie, for reasons of balance, is much interested in setting off, still within the current year, its dividend credit balances against the credits taken up. In the following we give a short summary of the reasons justifying in our opinion the special treatment of I. G. Chemie.

In spite of cancellation of all formal legal relations between I. G. Chemie and us, I. G. Chemie—as you know from our various applications—is of great importance to us, being administrator of very considerable American interests of our company, lying in General Aniline and Film Corporation, New York. Already for a long time these relations result in great difficulties for I. G. Chemie, which, undoubtedly, will still be increased by the formal state of war between Germany and U.S.A. Therefore, I. G. Chemie cannot expect that during the next years it will get out of its main participation, viz. General Aniline and Film Corporation, any proceeds whatever, at least not for distribution to its shareholders. This fact resulted already in an extremely strong pressure on the price of I. G. Chemie shares. The greater must be I. G. Chemie's endeavours—which we have to support—to be able to

14870 balance at least as favourably as possible its European participations, in order to present a halfway satisfactory balance sheet. I. G. Chemie, however, would not have been in a position to pay its share in the capital increase of Norsk Hydro with free foreign exchange. If I. G. Chemie had not been permitted to take up credits at the Norwegian banks and repay them out of the dividend proceeds, it would have had to renounce its participation in the increase of capital and sell its subscription rights against Sperrmark [blocked marks]. This would have resulted in a considerable balance—loss. The Swiss admin-

~~15107~~

istration of I. G. Chemie—being fully conscious of the fact that any prohibition of taking up the credit and of repayment out of dividend proceeds would have to be traced back, not to Norwegian, but to German initiative in the first place —would not understand that, in spite of its strong support of German interests, such difficulties were made to its company with regard to this matter.

Since for the said reasons there is a strong interest in settling the matter still within this year, we would appreciate it very much if you would notify the Reichskommissariat in Oslo of your consent by cable or telephone—if necessary at our expense. We thank you in advance for your endeavours.

Heil Hitler!

I. G. Farbenindustrie Aktiengesellschaft
[Signed] Kruger Gierlichs

1 Duplicate

15107 **Def. Exhibit No. 596**

Translation

REPORT

OF THE BOARD OF DIRECTORS OF THE
INTERNATIONALE GESELLSCHAFT FUER CHEMISCHE UNTERNEHMUNGEN A.-G. SOCIETE INTERNATIONALE POUR ENTERPRISES CHIMIQUES S.A. (I.G. CHEMIE)
BASEL
to the Ordinary General Meeting of Shareholders
of March 23rd, 1942
relating to the Business-Year 1941.

We have the honour of submitting to you the report of the 14th business-year of our company.

The General Aniline & Film Corporation, New York, our most important participation, has distributed for the business-year ending on December 31st, 1941 a dividend of $3.— on common A shares and of $0.30 on common B shares as

~~15108~~

against $2.75 and $0.27½ in the former year. The shares of the aforesaid enterprise have, in contrast to their issued debentures, not been quoted.— The dividends of the year 1941 could not be transferred owing to American restrictions; they were merely credited to our blocked account after deduction of the income tax amounting to 27½%. We have therefore not set out the countervalue in question, viz. Fr. 4,654,008.15, in the Profit & Loss account, but solely shown it under Assets as blocked banking-balance, and have booked the corresponding balance under Liabilities to creditors.— According to informations received, the company continues working satisfactorily.

The Norsk Hydro-Elektrisk Kvaelstofaktieselskab, Oslo reports regarding the business-year ending June 30th, 1941, that the company has worked satisfactorily in all branches from the technical point of view. The company has again declared a dividend of nKr. 10.80 per common share. We have exercised our rights to subscribe new shares on the occasion of the increase of capital which was decided in 1941. We were thus able to realize the dividend due in 1941, as well as the one of 1940,
15108 which had been in arrears owing to transfer difficulties. As for the rest, our relative participation quota with the Norsk Hydro will suffer a decrease, despite the acquisition of the new shares, on account of the special terms of emission.

Our participations and securities have increased on the sum total, partly because of conversion of debtors, by Fr. 3,802.781.15 to Fr. 159,402,634.09.

Debtors have, owing to above mentioned conversion into securities and owing to repayments, decreased by Fr. 8,000,023.65 to Fr. 11,258,479.50.

The free available banking-assets amount to Fr. 13,256,-309.18; the blocked banking-assets to Fr. 4,701,506.30.

The decrease of the net proceeds of Fr. 1,381,344.22 is

principally due to the aforementioned American blockade measures.

Just as last year, we have abstained from any new valuation of our non-quoted participations, especially as far as our share in the General Aniline & Film Corporation is concerned, and particularly because it has been impossible to ascertain a dependable basis of valuation, owing to the difficulties caused by the spreading of the war. We wish to point out again that the repercussions of the war are very difficult to be adequately ascertained with a company of almost entirely international character like ours.

The necessary revision as per § 723 of the Code Suisse des Obligations has been carried out by a public accountant firm.

We submit to the General Meeting the following propositions for votation:

15109 1. Ratification of the balance with profit and loss account per December 31st, 1941.

2. Giving discharge to the Board of Directors.

3. Distribution of the statutory guaranteed 6% cumulative dividend amounting to Fr. 120,000.— on the 20% paid-in pref shares, payable from March 24th, 1942 onwards, and carrying over the remaining profit balance of Fr. 1,261,344.22 to new account.

4. Election of controllers.

Basle, March 1942.

The Board of Directors.

~~15110~~

15110 BALANCE OF DECEMBER 31ST, 1941

Assets		Fr.
Not paid-in capital		
Pref. shares:		
80% of Fr. 10,000,000.--	Fr. 8,000,000.--	
common shares:		
50% of Fr. 55,000,000--	Fr. 27,500,000.--	35,500,000.--
Participations and Securities		159,402,634.09
Debtors		11,258,479.50
Bank-balances: free available		13,256,309.18
blocked		4,701,506.30
Guarantees	Fr. 2,330,350.--	
		224,118,929.07

Liabilities

Capital		
Pref. shares:		
with 20% piad-in	Fr. 10,000,000.--	
common shares:		
fully paid-in	Fr. 70,000,000.--	
with 50% paid-in	Fr. 55,000,000.--	135,000,000.--
Reserve-funds		80,000,000.--
Creditors		6,835,341.23
Dividends in arrears		902,243.62
Net proceeds		1,381,344.22
Guarantees	Fr. 2,330,350.--	
		224,118,929.07

15111 PROFIT AND LOSS ACCOUNT FOR 1941

	Fr.
Expenses and Taxes	938,285.58
Net Profit	1,381,344.22
	2,319,629.80
Amount brought forward from December 31st, 1940	874,907.72
Gross Profit	1,444,722.08
	2,319,629.80

15112 **Def. Exhibit No. 597**

ENGLISH TRANSLATION OF
I. G. CHEMIE ANNUAL
REPORT—1936

15113 INTERNATIONALE GESELLSCHAFT FUER
CHEMISCHE UNTERNEHMUNGEN A. G.
(INTERNATIONAL COMPANY FOR CHEMICAL ENTERPRISES LTD.)
(I. G. CHEMIE)
BASLE

NINTH ANNUAL REPORT

1936
Basle

Printed by Kreis & Co.
1937

15114 BOARD

DR. HERMANN SCHMITZ, Geheimer Kommerzienrat, Ludwigshafen a. Rh., Chairman
DR. FRITZ FLEINER, Professor at the University of Zurich, in Zurich
DR. ALBERT GADOW, Director in Basle

AUGUST GERMANN, Banker in Zurich
EDUARD GREUTERT, Banker in Basle
DR. FELIX ISELIN, Lawyer in Basle
CARL ROESCH, Director in Basle.

Auditing Committee

CARLO MOLLWO, Director in Basle
W. A. IMPERATORI, Basle

Substitutes

BASIL WERDER, Basle
W. SIGEL, Zurich

15115

REPORT

OF THE BOARD OF DIRECTORS OF
INTERNATIONALE GESELLSCHAFT FUER CHEMISCHE
UNTERNEHMUNGEN A. G.
(INTERNATIONAL COMPANY FOR CHEMICAL ENTERPRISES LTD.)
(I. G. CHEMIE)
BASEL, SWITZERLAND
AT THE
ANNUAL STOCKHOLDERS MEETING, JUNE 29, 1937
FOR THE FISCAL YEAR 1936.

We have the honor of submitting the report of our company for the ninth fiscal year.

In 1936, an event, important for the world's economics and the currency situation in particular, was the devaluation in the so-called gold block countries, a measure which also caused Switzerland to take the same course.

The effect upon our company is evident in our annual statement, in an increase of revenues as well as an increasing value of participations and securities. Thus we were enabled to create reserves for risks pertaining to engagements, particularly in those countries where there are transfer difficulties. Consequently, expectations for further development of our company also improved financially in a satisfactory way. We hope, therefore, that we may enter into further activities as soon as the political and economic

~~15115~~

relations between the countries grow more favorable.

15116 American I. G. Chemical Corporation, New York, and affiliated chemical companies (dyes, pharmaceuticals and photographic materials) reported a continued share in the upward trend mentioned already in the previous year, making possible a distribution of a total of $4.50 on Common A Shares and $0.45 on Common B Shares during the fiscal year ended March 31, 1937, compared with $3.50 and $0.35 respectively during the previous year. Conversion and retirement of the 5½% convertible debentures due May 1, 1949 amounted to $410,000.00, reducing the amount outstanding to $25,318,000.00. The conversion rights expire at the end of 1938 and only then can the amount of the remaining debt and the retired debt be determined.

Norsk Hydro-Elektrisk Kvaelstofaktieselskab (Societe Norvegienne de l'Azote), Oslo, again distributed a dividend of nKr. 4.— on nKr. 180.—nominal value for the fiscal year ended June 30, 1936.

The company reports that her nitrogen plants made further favorable developments along technical lines and that the "Convention Internationale de l'Azote (C.I.A.)" led to a certain price stability.

Durand & Huguenin A. G., Basel reports good business activity. The company was able to pay a dividend of 16% for the fiscal year 1936, against 12% for the previous year.

Our remaining participations and securities also developed satisfactorily from the standpoint of value and returns.

15117 I. G. Farbenindustrie Aktiengesellschaft, Frankfurt a.M., again declared a dividend of 7 per cent for the year 1936. Net profits amounted to RM 55,434,374.00, compared with RM 51,439,841.00 in the previous year. The carry-over to 1937 was RM 12,094,169.85, an increase of RM 7,154,380.80. Details are given in the attached Balance Sheet of the company. The report for the fiscal year 1936 is available for our stockholders at our office or at the official paying agencies.

As a result of developments in the currency situation, complex questions have arisen regarding the known dividend-guaranty contract between I. G. Farbenindustrie Aktiengesellschaft, Frankfurt a.M., and our company. Negotiations carried on in this respect have not lead as yet to a definite result on account of the uncertain international currency situation.

Therefore, after considering all viewpoints in question, the Board of Directors decided to propose the following distribution of profits amounting to FR 10,457,871.81 earned in the year 1936.

6% Dividend on Fr. 40,000,000 Preferred Shares, 20% Paid	Fr.	480,000.00
8% Dividend on Fr. 65,000,000.00 Common Shares, Fully Paid		5,200,000.00
8% Dividend on Fr. 80,000,000.00 Common Shares 50% Paid—Fr. 6,400,000.00		
Less 5% Interest on Fr. 40,000,000. not Paid in 2,000,000.00		4,400,000.00
	Fr.	10,080,000.00
Compensation to the Members of the Board (according to By-Laws Sec. 28)		66,000.00
Contribution to Dividend Supplementary Fund		311,871.81
Total	Fr.	10,457,871.81

15118 The syndicate owning nom. Fr. 105,000,000.00 common shares, 20% paid, has explicitly renounced its rights to dividends, also for the year 1936.

15119 RESOLUTIONS

We propose the following resolutions to be voted upon at the General Meeting of the shareholders:

1. Approval of the annual report of the Board of Directors for the ninth fiscal year.

2. Approval of both the Balance Sheet and Profit and Loss Account as per December 31, 1936, and granting of discharge to the Board of Directors.

3. Distribution of Profits as follows:

a) 6% on the preferred shares, 20% paid; less 6% coupon tax.

b) 8% on the common shares fully paid (No. 1—130,000)=40 Fr. per share, less 6% coupon tax=37.60 Fr. net.

c) 8% on the common shares, 50% paid (No. 140,001—300,000)—Fr. 40.—per share, less 5% interest on the amount not paid up and less 6% coupon tax—Fr. 25.85 net.

d) Payment of dividend beginning June 30, 1937, on presentation of dividend coupon No. 8.

e) Payment of compensation of Fr. 66,000.—to the Board.

f) Appropriation of Fr. 311,871.81 to the Dividend Reserve Fund.

g) Non-distribution of dividend on Fr. 106,000,000.—common shares, 20% paid, for the year 1936 owing to renunciation on the part of the holders of these shares.

15120 4. Elections for replacing Messrs. Eduard Greutert, Dr. Felix Iselin and Carl Roesch, who, according to the statutes, are to withdraw from the Board of Directors. Their re-election is permissible.

5. Election of two members of the Auditing Committee and two substitutes for the period of one year.

Basle, June 1937

FOR THE BOARD OF DIRECTORS
The Chairman,
Dr. H. Schmitz

15121 BALANCE SHEET WITH STATEMENT OF PROFIT AND LOSS 1936

15122

BALANCE SHEET AS OF DECEMBER 31, 1936
before distribution of the net profit

15123

Assets		Fr.	Cts.	Liabilities		Fr.	Cts.
Capital not paid in:				**Capital Stock:**			
Preferred Stock:				Preferred Stock:			
80% on Fr. 40,000,000.—	Fr. 32,000,000.—			shares 20% paid in	Fr. 40,000,000.—		
Common Stock:				Common Stock:			
50% on Fr. 80,000,000.—	40,000,000.—			shares fully paid	65,000,000.—		
80% on Fr. 105,000,000.—	84,000,000.—	156,000,000.00		" 50% "	80,000,000.—		
				" 20% "	105,000,000.—	290,000,000.00	
Participations and Securities		115,184,503.70		**Reserve Fund**		100,000,000.00	
Accounts Receivable:				**Dividend Supplementary Fund**		86,426.91	
Cash in Banks	Fr. 11,133,517.31			**Accounts Payable**		8,524,220.19	
Miscellaneous	126,844,126.39	137,977,643.70		**Unclaimed Dividends**		93,628.49	
		Fr. 409,162,147.40		**Net Profit**		10,457,871.81	
						Fr. 409,162,147.40	

PROFIT AND LOSS ACCOUNT FOR THE YEAR 1936

Debit	Fr.	Cts.	Credit	Fr.	Cts.
General Expenses and Taxes	920,768.45		**Gross Profit**	11,378,640.26	
Net Profit	10,457,871.81				
	Fr. 11,378,640.26			Fr. 11,378,640.26	

15124

BALANCE SHEET AS OF DECEMBER 31, 1936
After distribution of the net profit

15125

Assets		Fr.	Cts.	Liabilities		Fr.	Cts.
Capital not paid in:				**Capital Stock:**			
Preferred Stock:				Preferred Stocks:			
80% on Fr. 40,000,000.—	Fr. 32,000,000.—			Shares 20% paid	Fr. 40,000,000.—		
Common Stock:				Common Stock:			
50% on Fr. 80,000,000.—	40,000,000.—			Shares fully paid	65,000,000.—		
80% on Fr. 105,000,000.—	84,000,000.—	156,000,000.00		" 50% "	80,000,000.—		
				" 20% "	105,000,000.—	290,000,000.00	
Participations and Securities		115,184,503.70		**Reserve Fund**		100,000,000.00	
Accounts Receivable:				**Supplementary Fund for Dividends**		398,298.72	
Cash in Banks	11,133,517.31			**Accounts Payable**		8,590,220.19	
Miscellaneous	126,844,126.39	137,977,643.70		**Unclaimed Dividends**		93,628.49	
				Dividend payable per 1936		10,080,000.00	
		Fr. 409,162,147.40				Fr. 409,162,147.40	

~~15127~~

15126 AUDITING COMMITTEE'S REPORT

To the Basle, June 17, 1937

GENERAL MEETING OF THE SHAREHOLDERS OF THE
INTERNATIONALE GESELLSCHAFT FUER CHEMISCHE
UNTERNEHMUNGEN A. G. (I. G. CHEMIE)
Basle

In accordance with instructions received at the General Meeting of the Shareholders on June 26, 1936, we have examined the Balance Sheet for the year ended December 31, 1936.

We confirm that the figures of the Balance Sheet and Profit and Loss Account agree with the books. We have verified the vouchers with respect to the participations and portfolio holdings, the accounts receivable and accounts payable, and paid special attention to the valuation of securities, being in conformity with the legal requirements; the risks incurred in countries subject to transfer difficulties were also duly considered.

We recommend that you approve both the balance sheet for the year ended December 31, 1936 showing a net profit of Fr. 10,457,871.81, and the distribution of net profit as proposed by the Board, to whom you may grant discharge.

Yours truly,

Carlo Mollwo W. A. Imperatori

15127 APPENDIX

~~16128~~

I. G. Farbenindustrie Aktiengesellschaft
BALANCE SHEET AS OF DECEMBER 31, 1936

ASSETS

		RM	RM	RM
I.	Common stock subscribed for but not yet issued			40,000,000.00
	Preferred stock, Series A, subscribed for, but not yet issued			40,000,000.00
	Unpaid balance on outstanding Preferred Stock, Series B			26,606,250.00
II.	Fixed Assets:			
	Land, incl. Coal Mining Rights, brought forward	101,814,814.00		
	Additions	4,182,322.00		
			105,997,136.00	
	Deductions	454,890.00		
	Write off	180,570.00		
			635,460.00	105,361,676.00
	Business and Dwelling Structures, brought forward	49,292,967.00		
	Additions	2,508,054.00		
			51,801,021.00	
	Deductions	74,617.00		
	Write off	2,106,000.00		
			2,180,617.00	49,620,404.00
	Factories, Railroads and other Structures, brought forward	106,199,503.00		
	Additions	21,382,901.00		
			127,582,404.00	
	Deductions	1,033,994.00		
	Write off	13,419,105.00		
			14,453,099.00	113,129,305.00
	Machinery, tools and equipment, brought forward	161,844,170.00		
	Additions	54,993,455.00		
			216,837,625.00	
	Deductions	1,380,768.00		
	Write off	55,292,760.00		
			56,673,528.00	160,164,097.00

ASSETS (Continued)

II. (continued)	RM	RM	RM
Factory and office fixtures, brought forward	3,957,537.00		
Additions	2,477,296.00		
		6,434,833.00	
Deductions	188,256.00		
Write off	2,481,414.00		
		2,669,670.00	3,765,163.00
Grants, Patents, Licenses, Trade Marks and Similar Rights	1.00		1.00
III. Investments			278,667,260.12
IV. Current Assets:			
Inventories—			
Raw and auxiliary materials and fuel		42,515,318.00	
Manufactured goods and merchandise		95,947,823.84	138,463,141.84
Securities			29,584,222.46
Accounts receivable:			
Maturing mortgages and similar items		8,961,600.94	
Prepaid items		7,018,697.39	
Merchandise delivered and services rendered		218,521,235.02	
Subsidiary and Affiliated Companies		130,624,089.91	
Loans and miscellaneous receivables		62,667,188.22	427,792,811.48
Bills and acceptances		11,625,441.95	11,625,441.95
Checks			144,804.60
Government Treasury Bills			29,890,187.50
Cash on hand, incl. balances at Central Banks and Postal Checking Accounts			3,070,471.46
Other bank balances			96,000,242.39
V. Transitory items—deferred charges			8,287,964.99
VI. Premium payable upon redemption of Convertible Debentures of 1928 (contra)			16,240,820.00
Counterclaims in connection with contingent liabilities (contra)		129,969,689.20	
			1,578,414,264.79

LIABILITIES

		RM	RM
I.	Common Stock with Voting rights equivalent to	720,000,000.00	720,000,000.00
	Preferred Stocks, Series "A" with voting rights equivalent to	40,000,000.00	40,000,000.00
	Total	760,000,000.00	
	Preferred Stock, Series "B", with voting rights equivalent to	40,000,000.00	40,000,000.00
II.	Reserve Funds:		
	Legal Reserve Fund	182,900,140.73	
	Free Reserve Fund	17,708,644.32	200,608,785.05
III.	Contingency Reserves		70,000,000.00
IV.	Valuation Adjustment Fund—		
V.	Liabilities:		
	Convertible Debentures of 1928	242,750,600.00	
	Less amount held in Treasury	80,342,400.00	
		162,408,200.00	
	Premium payable upon redemption, final maturity July 1st, 1945 (contra)	16,240,820.00	178,649,020.00
	Obligations called for redemption		234,551.16
	Statutory Social Welfare Fund:		
	Pension and Relief Fund	43,400,000.00	
	Jubilee Fund	3,000,000.00	46,400,000.00
	Accounts payable:		
	Mortgages and loans	1,595,176.44	
	Prepayments and sureties on orders	7,941,489.97	
	Due on goods delivered and services rendered	64,649,851.00	
	Subsidiary and affiliated companies	15,855,495.74	
	Bank liabilities	35,116,819.53	
	Endowments	4,153,455.01	
	Interest accrued on convertible debentures of 1928	9,744,492.00	
	Others	38,992,822.35	178,049,602.04

Def. Exhibit No. 618

Translated from a carbon copy of the German original

To: Reichswirtshaftsministerium
[Ministry of Economy]
Berlin W8
Behrenstr. 43

Our reference: May 15, 1940
Finance Secretariat
2828 - K/Hz/Sm 1485

Re: Re-arrangement of our relations to Internationale Gesellschaft fur Chemische Unternehmungen, Basle (I. G. Chemie).

We are referring to-day to the conversation which took place on the 6th inst. between Mr. Kruger on the one hand, and Ministerialrat [counsellor of a ministerial department] Dr. Schultze-Schlutius and his competent clerk on the other.

As you know, by special measures we have—through Internationale Gesellschaft fur Chemische Unternehmungen, Basle, (I. G. Chemie), connected with us by a community of interest-contract, made in 1928—established strong points for our export in various countries a.o. in America. Our strong points in the United States of America have hitherto been General Aniline Works and Agfa Ansco Corp., subsidiaries of American I. G. Chemical Corp.; these companies have recently merged in General Aniline and Film Corporation.

Based on our experiences of World War I our constant endeavor since the outbreak of the present war has been to protect this American company from interference of our American competition, even in the event of warlike complications with the United States of America. In order to enable said manufacturing plants, to support us effectively in our exports efforts we had to

15230 keep them up to date with regard to the technique of manufacture. For this purpose, we have made very important experiences and manufacturing processes [p. 2] available to them. All our and our American friend's endeavours tend to prevent that by a forcible proceeding of the American authorities our competitors are enabled to lay hands on these enterprises and to obtain in this way our experiences, as it happened in World War I.

Since the beginning of this year, several of our American friends stayed alternately in Basle and conferred regularly with us how to meet best the said danger. The weak point of the present situation is, that the American company is blamed for its strong dependence on Switzerland, by pointing out that the Swiss Company is so strongly tied to I. G. that the American enterprise can be looked upon as being under German influence. After many discussions, conferences and considerations, we agreed upon to choose the following way in order to re-arrange the relations between the three companies:

1) General Aniline and Film Corporation is to be somewhat more americanized by acquiring from I. G. Chemie nominal 1,000,000 B-shares of its own company (hitherto all 3,000,000.— B-shares were in possession of I. G. Chemie and its friends respectively).
2) I. G. Chemie is to be freed from the connections, which can be interpreted as being under German influence, in the following way:

a) by cancelling the dividend-guarantee agreement between I. G. and I. G. Chemie including the option, granted to us on I. G. Chemie's participations, which at the beginning of the war has been changed into a first right of refusal.

15231 b) by I. G. Chemie acquiring such a number of the I. G. Chemie shares in German possession (about 28% of the capital of I. G. Chemie—I. G. itself has no share) against payment in Foreign Exchange

at the Swiss rate of exchange of the day, that by no means more than 15% of the capital of I. G. Chemie remain in the possession of German shareholders. [p. 3]

c) by Geheimrat [title] Schmitz resigning his position as chairman of the board of administration of I. G. Chemie.

As we pointed out to you recently, we have only after thorough deliberations come to the conclusion to consider these measures, careful examinations having shown that the way now planned offers the best chance to maintain our interests. We know by experience, that our American friends are handicapped in their work for us by the existing ties and believe to have to help them in defending our interests by carrying through the said measures recommended by them to us.

The matter is particularly urgent, since the term for the declaration of parentship of the American company, having been postponed several times, will finally expire on May 30 of this year. The president of the American company, D. A. Schmitz, who at the moment stays in Basle and will embark for America from Genoa, latest on May 18, is ready to take immediately the necessary steps, pursuant to the said measures—regardless of the fact that the transactions between I. G. Chemie and I. G. cannot be fully carried through until that date—provided we give him the assurance previous to his departure, that the execution of the discussed measures has been commenced, and that the permits possibly required for certain transactions have been promised to us on principle by the authorities.

Hitherto we have always kept you informed about the development and shape of our American connections and therefore wanted to inform you also about these decisive measures,

15232 requesting you to give your agreement to the planned procedure and, at the same time to hold out to us,

on principle, prospects of a permit for the actions which result from the transactions and may be subject to authorization.

[p. 4] The urgency of the matter is stressed by the fact that we have decided to secure a further part of the great number of our patents in the United States of America by selling the same to General Aniline and Film Corporation. The transfer, which appears to us to be the only possible way for a security, will entail a considerable amount of incoming Foreign Exchange. On principle, the payment of a share out of the future proceeds from the patents is thought of as compensation. The American Company, however, is willing to make a single payment of a large sum, which we estimate at $500,000.— on this share, on the understanding that the said re-arrangement of the relations between General Aniline and Film Corp., I. G. Chemie and I. G. is made first.

We hope that it will be possible for you to let us know during the course of this day, latest on May 16, 1940, whether you agree with us, so that we, on our part, can inform the president of the company before his departure.

Heil Hitler

I. G. FARBENINDUSTRIE AKTIENGELLSCHAFT
[stamped] sgd. KRUGER
sgd. by order HENZE

Def. Exhibit No. 621

Translation of photostat of German original

I. G. FARBENINDUSTRIE AKTIENGESELLSCHAFT
Legal Department
Berlin NW 7

[Handwritten:]
To be filed
G.

To the
Ministry of Economics
Attention Geheimrat Dr. Kohler
Berlin W. 8
Taubenstr. 16-18

Our Reference:
S/Ro/1551
224 June 11, 1940

Re: *Increase of capital by maximum RM 30,000,000.—*

In the near future we intend to increase our share-capital by issuing nominally up to RM 30,000,000.—new original shares out of our authorized capital, and request you to grant us the authorization necessary according to the "Anleihestockgesetz" [law defining stock loans]. As to the reasons for our application, we refer to the conversation of today with Rechtsanwalt [lawyer] Gierlichs and Rechtsanwalt Silcher of our company and recapitulate our statements as follows:

We are connected with "Internationale Gesellschaft fur chemische Unternehmungen A. G. [I. G. Chemie], Basle, by dividend-guarantee-agreement, of which we hand you a copy in annex 1. About 28.24% of the capital of I. G. Chemie are in German possession but not within our sphere of influence. I. G. Chemie has an essential share in General Aniline and Film Corporation [GAF], New York, the former American I. G. In view of present conditions and the political situation in particular, it has now become necessary that, in the interest of GAF and thereby for purposes of securing our

American interests, GAF is unconditionally acknowledged in
15242 America as an independent American enterprise not exposed in any way to German influence whatever. To achieve this aim, as thorough discussions with our American friends have shown, a severance of the German relations with I. G. Chemie will be necessary through the following three actions: dissolution of the present personal connection, cancellation of the dividend-guarantee-agreement and reduction of the German participation to a maximum of about 14-15%. The general meeting of I. G. Chemie on June 28, 1940 will accordingly decide on the cancellation of the dividend-guarantee-agreement. In addition, I. G. Chemie is to acquire out of German possession 50,000 half-paid I. G. Chemie-shares of nom. sfrs. 500.—each, which will then be withdrawn by resolution of the general meeting. The purchase-price will be paid by I. G. Chemie for the major part in Foreign Exchange on the basis of the present Swiss stock exchange price.

[p. 2] The 50,000 half-paid I. G. Chemie-shares, needed for the sale to I. G. Chemie, have to be acquired first by purchase from the German shareholders. Besides, we regard ourselves bound, at least according to the meaning and purpose of the dividend-guarantee-agreement, in view of the cancellation of the same, to offer to all the German I. G. Chemie-shareholders the exchange of their shares for I. G. shares on the basis of the dividend-guarantee-agreement, i.e. nom. RM 400.—IG-shares against nom. sfrs. 500.—I. G. Chemie-shares. We will, therefore have to submit to the German I. G. Chemie-shareholders a corresponding offer as soon as the general meeting of I. G. Chemie on June 28, 1940 is over.

The whole transaction has been worked out in detail in accordance with the competent Reich-authorities and has been approved by same, sin e they are strongly interested in it on account of the securing, highly important from a political—

-economic view, of our American interests and of the incoming of Foreign Exchange connected with the sale of the I. G. Chemie shares into Switzerland. We refer in this respect to our conversations with Ministerialrat Schultze-Schlutius and Regierungsrat Dr. Joerges of the Ministry of Economics, Director Hartlieb of the Reichsbank and Director Erbstosser of Deutsche Golddiskontbank.

In order to effect the exchange of the I. G. Chemie shares in German possession for I. G. shares, we need the RM 30,000 new I. G. shares mentioned in our application. The I. G. Chemie shares in possession of Golddiskontbank are not to be exchanged, they will be acquired by us against cash-payment and are not taken into consideration in this connection. The remainder consists of about 72,000 I. G. Chemie shares of sfrs. 500.— each = about sfrs. 36,000,000. —. The exact amount has not been established yet, as it is possible that since last establishing it, displacements of share-property at home and abroad may have occured. It is also possible that a reduction might result from such displacements or in the event that not all shareholders will make use of the offer of exchange which is, however, not likely, since the offer compared to the present price of I. G. Chemie shares is very advantageous and the shareholders are always running the risk, that the Reichsbank may call up the I. G. Chemie shares for sale at this low price. Since sfrs. 500.— I. G. Chemie shares are equal to RM 400.— I. G. shares, we will have to expect a demand for up to RM 30,000,000.— I. G. shares.

The exchange will be carried through for our account by Landerbank, the latter taking over the new shares at a price which has not been fixed yet and is, moreover, only of formal value on account of the later use of the shares for the exchange. The formal increase of capital is accomplished, of course, from the moment the shares are taken over by Landerbank and, soon after, will be recorded as carried through in the

15244 register of commerce. Since it is to be expected that your authorization will be [p. 3] granted with the proviso that the new shares may only be used for the described transaction of exchange, you will please also mention that a cash-subscription and taking over of the new shares by Landerbank will not collide with it.

The money-market is not concerned by this exchange, since only the I. G. Chemie shareholders will receive I. G. shares for their I. G. Chemie shares of which, apart from the Foreign Exchange restrictions, they could freely dispose. Of course, if they like they can get the I. G. shares cashed, which may occur in individual cases, if the holder of a half-paid I. G. Chemie share finds it difficult to make the compensation-payment explained hereafter On the whole, a new object of the money-market is not created, but merely one object is exchanged for another.

It is only natural that holders of half-paid I. G. Chemie shares have a claim to only half-paid I. G. shares, but as half-paid I. G. shares are undesireable and out of the question, these shareholders, against delivery of fully paid I. G. shares will have to make a compensation-payment amounting to half the par-value of these I. G. shares.

A copy of our business-report and annual balance-sheet for 1939 is enclosed (see annex 2).

We would be much obliged if you would comply with our application at your earliest convenience. Our Board of Directors can decide on the increase of capital only after the general meeting of I. G. Chemie on June 28, 1940. The German I-G. Chemie-shareholders, however, can accept the cancellation of the dividend-guarantee-agreement only when they have the guarantee that their rights are secured by a corresponding offer of exchange in I. G. Chemie shares. Otherwise, they would have to raise discussions and make reservations at the general meeting of I. G. Chemie, which would be undesirable in every respect and from the viewpoint of the German authorities in particular. With the approval of the authorities, a preparatory communication in

15245 this matter, to be sent to the German I. G. Chemie shareholders, has been made out but *can be* sent off only when the carrying through of the exchange of shares has been assured by your authorization regarding the issue of shares.

Should further information be necessary, please contact the right-hand undersigned, Rechtsanwalt [lawyer] Silcher (12 00 21 extension 224).

Heil Hitler!

I. G. FARBENINDUSTRIE AKTIENGESELLSCHAFT
[Typed signatures:] per pro. Gierlichs per pro. Silcher

Copy to Director Dr. von Knieriem
" " " Dr. Kruger
" " Gierlichs, lawyer.

Annexes
1 duplicate

15257 **Def. Exhibit No. 624**

Translation from original German document photostat

I. G. FARBENINDUSTRIE AKTIENGESELLSCHAFT

Berlin NW 7,
June 11, 1940

Wirtschaftsgruppe Privates Bankgewerbe-Centralverband des
Deutschen Bank- und Bankiergewerbes,
4 Dorotheenstrasse,
Berlin NW 7

Attn. Dr. Trost

Re shares of the Internationale Gesellschaft fuer chemische Unternehmungen

A. G., Basel (I. G. Chemie).

With reference to the discussion of today between your Dr. Trost and Director Pfeiffer of the Deutsche Laender-

bank A. G. and the undersigned, and in confirmation of our oral statements, we wish to inform you of the following:

With the approval of the Reich Ministry of Economics and the Reichsbank Directorate, we are concerned at present with a big transaction, which, for the safeguarding of our interests abroad, aims at turning the I. G. Chemie, Basle, which has heretofore been connected with us by a dividend guarantee agreement, into a Swiss company and at Americanizing the former American I. G. Chemical Corporation, New York, which has likewise been closely connected with us and, in accordance with a merger agreement, has adopted, together with some hitherto independent enterprises of its circle, the name of General Anilin and Film Corporation. In connection with this transaction, it is planned among other things that the I. G. Chemie, Basle, acquire from German holdings 50,000 of its own shares, 50% paid, for the purpose of withdrawing them. With the exception of a small difference, the purchase price will be paid in free foreign exchange to be delivered immediately to the Reichsbank,

15258 so that aside from the general interest of the authorities in protecting German assets abroad, it will also be of particular interest from this aspect to the Reichsbank and the Reich Ministry of Economics that this transaction be carried out. In order to be able to make available to the I. G. Chemie, Basle, the aforementioned block of shares, we intend to submit to all German shareholders of I. G. Chemie shares, in accordance with the dividend guarantee agreement, an offer for the exchange of I. G. Chemie shares for shares of our company. This offer, however, can be made only after the general meeting of the I. G. Chemie on June 28 or 29 of this year has approved the acquisition of the block of shares for the purpose of their withdrawal. Since the withdrawal of its own shares is on the agenda of the general meeting of the I. G. Chemie, it has now become necessary to cautiously call the attention of the German I. G. Chemie shareholders to the contemplated exchange

offer, especially as this exchange offer will also include the dividend coupon of 1939 and it would therefore be expedient not to detach and collect it beforehand. In view of possible reactions resulting from this exchange offer with regard to the I. G. Chemie shareholders abroad, the authorities as well as we attach the greatest importance to avoiding the public press in carrying out the entire transaction. At the suggestion of the Reichsbank and the Deutsche Golddiskontbank, we therefore wish to ask you to publish the attached notice in the next issue of your confidential notifications and to assist us in the same way in conveying the exchange offer of the Deutsche Laenderbank A. G. to the German I. G. Chemie shareholders, for which the Deutsche Laenderbank A. G. will submit suggestions to you in due course.

15259 Furthermore, we would like to point out that Director Hartlieb of the Reichsbank, Director Erbstoesser of the Deutsche Golddiskontbank, and Dr. Joerges of the Reich Ministry of Economics have been informed of the transaction. If questioned, these gentlemen will certainly be ready to tell you that the execution of this transaction is in the official interest.

We wish to thank you in advance for your efforts.

Hail Hitler!

I. G. Farbenindustrie Aktiengesellschaft
[handwritten] sig. Kruger sig. Gierlichs

Enclosure

15260 6/11/40

For "Important Individual Notifications"
Shares of the I. G. Chemie, Basle

With the approval of the Deutsche Reichsbank, it is requested that you do not cash before the end of July 1940 the 1939 dividend coupon of shares of German holders, since a favorable exchange against I. G. Farbenindustrie A. G. shares, which will also include the dividend coupon for 1939, will probably be offered the German holders of I. G. Chemie shares at the beginning of July.

15352 **Def. Exhibit No. 640**

Translation from a copy of the German original

Sole copy. RE/R. Frankfurt a.M., June 30, 1926
Strictly confidential!
[Handwritten:] Mr. Alf Merton

Re: E. G. & Cie.

I must say that I have never returned from a visit with E. G. & Cie, with such uncomfortable feelings as this time. This is not so much due to the fact that so far in the transactions with the Mannheim friends a few dozens of accounts referring to a great variety of individuals, firms, and syndicates have, without cause, been set off against each other, that credits up to 25 million marks have been extended to syndicates with fancy names, the partners of which are unknown, not knowing whether we were or are secured by an appropriate amount of securities in the portfolio of these syndicates, that the Mannheim people were granted the power to dispose of such securities on deposit, and so on. These are things which, in my opinion, may sooner or later be settled with the necessary understanding and the necessary energy without giving offense to our business friends, and I hope nothing will happen in the meantime. What makes me uneasy is the fact that the Basle management itself evidently does not understand what matters, and that it does not understand it fully even after receiving extensive written and oral explanations from us, and that it has no clear insight into the big transactions to which it lends its name, and for which it bears responsibility [p. 2] and runs the risks. Evidently both gentlemen lack the bookkeeping and legal experience requisite for such big and complicated transactions as are involved

15353 in the business relations with our Mannheim friends.

Despite such an extensive correspondence as carried on between us about this matter lately, and despite a request made by letter eight days in advance to be prepared for the

discussion of just these points, it was impossible to get a clear picture of even the bare facts. It we ask Mr. G. for facts indispensable for an analysis of the situation, it often turns out that he cannot readily avail himself of them, that he must ask his subordinates, that certain things cannot be answered because Mr. Haller is absent, etc., etc. Thereupon he indulges in sentimental stories about the historical development, telling us why and how everything happened and how tremendously busy he is kept by these matters, that he could not possibly take care of everything himself, etc.; but it is exceedingly difficult to get the facts from him, and whatever statements of facts can be drawn out of him not infrequently prove to be incorrect, or outdated, a short time thereafter. I have the impression that out of sheer fear lest he lose the valuable business relations, he is putty in the hands of the Mannheim people, so that he disregards even elementary measures of precaution, and that, on the other hand, out of fear for our criticism and because he does not grasp the actual situation, he makes demands, or rather expresses wishes, from time to time which far overstep the mark.

Mr. Mollwo understands somewhat better which things matter to us; in most [p. 3] cases, however, not before he has talked to us, and without sufficient initiative of his own. Besides, his attitude in all these questions is somewhat weak and his influence negligible; probably due to the fact that the transactions of our Mannheim friends were from the start considered as being in charge of G., and being heavily dependent on his personality—for reasons easily to be understood—and because M. does not take part in most of the negotiations

15354 and, of course, is reluctant to request, or to insist upon, such measures as, in G's opinion, are likely to disturb the relationship.

I do not yet fully understand Mr. Haller's part in these matters. Here, too, without doubt, H. knew how to get a great deal into his hands—maybe, due to the character of

~~15354~~

the other two gentlemen, it got into his hands naturally, and he is perhaps the only person accurately informed of everything—he also conducts important negotiations by himself—and, as both gentlemen state, he does not any more than G. himself, make any reports in writing on his negotiations and agreements. More than once in our discussions of yesterday I got the answer that one was not informed on this or that point because H., who is on a trip at present, has made the agreements in question.

G. was not in a position to explain several details in the balance sheets of the various Swiss companies which he founded for the Mannheim people and of which he is a member of the supervisory board—balance sheets which are all signed by him and Hugo Heberlein. Thereupon I got the characteristic answer that he could not possibly, in addition to his other duties, audit the balance sheets, too, and that he simply had to sign them in reliance on Mr. Haller!

[p. 4] It is also significant that Mr. G.'s initial as well as Mr. M.'s initial could be found on the few acknowledged statements of depositor's accounts on hand—acknowledgements of the existence of which, as you know, none of the two managers knew anything during our discussion on the day before yesterday. Explanation by G.: "Such things run through with the mail, and one often puts one's initial on them without reading them and without seeing from whom they originate", and that is what he says of the acknowledgements of the Mannheim people for which we have been fighting all this time! It is equally significant that,

after we had rejoiced all day long in the unexpected
15355 existence of these acknowledgements, I had to learn—
though only after explicit inquiries—that the firm E. G. & Cie. has given Messrs. Sch. and R. the power to dispose of these (Greutert's!) deposits as they please.

I could continue with these instances indefinitely, e. g., to this day the firm Greutert has not received any acknowledgements or discharge on the many syndicates which were dissolved in the meantime. As per 31 December 1925, ac-

knowledgements have been received for the deposits to the credit of the I. G. syndicate account and of the Providentia, but no acknowledgements of the deposits which Greutert holds in Ludwigshafen. As early as February 16 the statements in question were forwarded to the persons in charge, and one should think that if a man has time to examine his credit he should also find the time to examine his debit.

I have now agreed upon the following with the Basle gentlemen: On the occasion of his impending stay in Basle for the purpose of finishing the audit of the balance sheet per December 31, 1925, Mr. Schmelz will also [p. 5] thoroughly check on the entire relationship to our Mannheim friends, the various current accounts and deposit accounts and the agreements relative thereto as well as Mr. Greutert's relations to the various Swiss companies closely connected with the Mannheim people. With the support of the Basle gentlemen he will have to make notes from which the actual facts will emanate accurately and indisputably so that eventually we shall be on firm ground in making our decisions. On the basis of these notes it will be possible to find out which declarations and acknowledgements we will have to request as indispensable for the safety of the firm E. G. & Cie. I cannot imagine that anything would be involved which could not readily be given to us by the above named friends.

15356 Furthermore, I did not leave any doubt with the two Basle gentlemen that neither Mr. Haller nor any other subordinate but Mr. Greutert and Mr. Mollwo are responsible to us for the handling of these transactions. To achieve this, I requested and received Mr. Greutert's consent that Mr. Mollwo should be informed of everything just as well as Mr. Greutert; since it cannot be agreeable to us that business transactions running into many millions are handled by one person only. Furthermore, I instructed the Basle gentlemen that in the future exact minutes must be kept and incorporated into the Basle files of all agreements and negotiations with the Mannheim people so that,

at all times, we are in a position to get a reliable picture of how things are going. These files must be rendered accessible to Mr. Schmelz from time to time so that the statement of facts to be [p. 6] made by him can be supplemented at any time. There must no longer be any facts which are known only to Mr. Haller or to somebody else *alone*. I have promised the Basle gentlemen that the strictest secrecy will be imposed on Mr. Schmelz, and I guaranteed that the Mannheim gentlemen will not learn anything of the work of Mr. Schmelz. I reserve to myself the right also to consult, if necessary, our legal counsel on the one or the other question, likewise under an obligation of absolute secrecy. I consider the examinations and findings by Mr. Schmelz indispensable; for, after all, it is absurd that twice a year we have extensive examinations of all the other transactions of the firm E. G. & Cie., comprising the administration of about 10 million francs, whereas no examination is made for transactions which touch the firm Greutert just as much and which extend to an amount of 60 to 100 million marks.

Finally, in the last two hours I requested from Mr. Greutert—and

15357 obtained—insight into the files of the companies founded by him or the companies of which he is a member of the supervisory board. For our information, I put down below the notes I made from these files, but I want to point out explicitly that I was, of course, not able to study the files numbering many hundreds of sheets and involving in part situations which offer complicated legal aspects; and that no absolute guaranty can be given for the correctness of the notes made below.

~~15358~~

[p. 7] *Visca A. G. Schaffhausen:*

Board of Directors: Eduard Greutert and Hugo Heberlein.

Official balance sheet per December 31, 1925:

Securties on hand	frs.	1,826,223.60	Capital stock	frs.	960,000.00
Accounts receivable	"	3,606,695.25	Reserve	"	1,434.40
			Accounts Payable	frs.	4,348,784.85
			Surplus	"	122,699.60
	frs.	5,432,918.85		frs.	5,432,918.85

Distribution of surplus: 5% to the reserve = frs. 6,565.60
10% dividend = " 96,000.00
bonus = " 2,000.00
balance = " 18,134.00

The bulk of accounts payable, as well as of accounts receivable, is in the name of Ed. Greutert & Cie.

The 1920 shares are registered as follows:

1046 shares in the name of the Fiduziar-Gesellschaft
81 " " " " " " Michel
153 " " " " " " Bosch
81 " " " " " " Schluon
81 " " " " " " Julius
81 " " " " " " Bueb
81 " " " " " " Schmitz

15358 75 shares in the name of the Warmbold
53 " " " " " " Krell
36 " " " " " " P. Seidel
36 " " " " " " O. Seidel
36 " " " " " " Rosch
36 " " " " " " Weibel
34 " " " " " " Gans
5 " " " " " " Heberlein
5 " " " " " " Greutert

The two last ten shares belong also to the Fiduziar-Gesellschaft, which received certificates of assignments for them. The Fiduziar-Gesellschaft apparently does not own the shares standing in its name but holds them as a trustee for 50 to 100 individuals which are unknown or only partly known to Greutert.

The value of the security portfolio is supposed to be a multiple of the book value.

[p. 8] *Providentia A. G., Schaffhausen:*

Board of directors: Eduard Greutert,
Hugo Heberlein,
Michel,
Schmitz,
Schudel.

The 100 shares issued are registered as follows:

75 shares in the name of the Fiduziar-Gesellschaft
5 " " " " " " Greutert
5 " " " " " " Heberlein
5 " " " " " " Schudel
5 " " " " " " Michel
5 " " " " " " Schmitz

The shares registered in the name of individuals are also held by the Fiduziar-Gesellschaft so that this company has at its disposal 100% of the capital stock of the Providentia.

15359 Balance sheet per December 31, 1925:

Securities on hand	frs. 6,861,900.00	Capital stock	frs. 100,000.00
Accounts receivable	" 856,892.55	Reserve	" 12,000.00
		Accounts payable	" 7,587,167.65
		Surplus	" 19,624.90
	frs. 7,718,792.55		frs 7,718,792.55

Distribution of the surplus:

5% reserve	frs. 980.00
7% dividends	" 7,000.00
10% bonus	" 636.85
Further remittance to the reserve	" 2,020.00
Balance	" 8,988.05

Here, too, the bulk of accounts payable and receivable is in the name of E. G. & Cie.

Here, too, the value of the security portfolio is supposed to exceed the book value considerably.

[p. 9] *Fiduziar-Gesellschaft, Schaffhausen:*

Board of directors: Eduard Greutert
Hugo Heberlein.
Schmitz
Michel
Dr. Schudel.

The total capital stock is held by the Visca. On June 26, 1926, it was increased to frs. 750,000.

Balance sheet per December 31, 1925:

Securities on hand	frs 105,500.00	Capital stock	frs. 100,000.00
Accounts receivable	" 6,943,019.45	Reserve	" 7,500.00
		Accounts payable	" 6,923,688.21
		Surplus	" 17,331.24
	frs. 7,048,519.45		frs. 7,048,519.45

15360 Distribution of the surplus:

5% reserve	frs.	850.00
7% dividend	"	7,000.00
10% bonus	"	750.90
Extra reserve	"	4,150.00
Balance	"	4,580.34

In this case I could not find out exactly to whom the accounts receivable and the accounts payable apply, because this is

a balance sheet especially drawn up for the public. The preparatory balance sheet which would divulge the actual situation shows not less than about 60 million francs on both sides with a capital stock of frs. 100,000!!

In order to avoid publication of such a peculiar balance sheet they transfer, apparently every year before the final balance sheet is drawn up, 80% of their assets and liabilities to the Nitropan company in Amsterdam, which is also closely connected with our Mannheim friends, and, in addition, [p. 10] other items are set off against each other. After publication of the balance sheet the transfer is being cancelled. This method was adopted on Greutert's suggestion!

The Fiduziar-Gesellschaft apparently has the main purpose of safekeeping the pensions coming to certain Mannheim gentlemen. However, upon inquiry, I was informed that with the transfer to the Nitropan the liabilities towards the persons entitled do not pass from the Fiduziar-Gesellschaft to the Nitropan, but that here only a temporary kind of reinsurance is taken out with the Nitropan. For this reason, I hold that the balance sheet is actually false, provided I understood the matter correctly. The situation of the Nitropan is not known to Mr. Greutert; he gets no insight there. As at present the Fiduziar-Gesellschaft does not owe any money to Greutert but has about 13 million francs payable to Greutert, this strange method of
15361 balancing is probably not precarious with regard to the firm Greutert directly, *unless—what I cannot tell —the Fiduziar-Gesellschaft by these temporary entries ends up with a debt towards Greutert.* To say the least, it would be unpleasant to the firm Greutert if its owner, as a member of the supervisory board of the Fiduziar-Gesellschaft, were made responsible for this method of drawing up the balance sheet.

Technik-und Finanz-A.G., Basle, Sternengasse 10
Holding company.

Capital stock: Frs. 500,000 in 1,000 shares at frs. 500 each.
Incorporation on May 28, 1926.
Incorporators: Eduard Greutert!!
Emil Harneit, Zurich.
Hans Haller!!
[Handwritten note:] This incorporation has been published in the newspaper giving the names of the incorporators and the domicile.
[p. 11] The shareholders are:

Tefiag consortium (half Riebeck Montan, half I. G. Farbenindustrie)	= 500 shares
International Company, Vaduz! (Standard Oil Group), address Director E. Harneit, Zurich	
Petroleum Import Company	= 245 "
The same for himself as an individual	= 5 "
De Bataaf'sche Petroleum Maatschappij, Hague (Royal Dutch Group)	= 250 "

Present board of directors: Eduard Greutert
Emil Harneit.

Proposed for additional election to the supervisory board in the next stockholders' meeting are:

15362 Wolffensperger, Hugo Heberlein, and Schmitz for the German group; Rudelof, member of the board of directors of the Rhenania Ossag, Dusselford, and Brehme (Deutsch-Amerikanische Handelsgesellschaft), and possibly some others for the foreign group.

(The incorporation of this company was published in the newspaper with Greutert's name and with the domicile Sternengasse 10).

Until now the T. & F.A.G. has acquired from Greutert & Cie. Reichsmarks 9,135,770 shares of the Deutsche Gasolin A.G., Berlin (formerly Riebeck) at a rate of 31%, value: RM 2,870,025.90, with which Greutert debited the Tefiag and which Greutert acquired partly from Riebeck, partly from the Landerbank. In order to make the acquisition

possible, the Tefiag was granted a credit of $600,000, of which one-half was raised by the German part, and the other half by Standard Oil and de Bataafsche. The Gasolin A. G. itself (formerly Hugo Stinnes/Riebeck/Oel A. G.) obtained a credit of 4 million dollars. The money for this credit has been raised by the above mentioned groups, and these run all the risks connected with the credit. All these transactions referring to the Tefiag *seem* to have been put correctly into writing.

To make the picture complete, I wish to add the following:

Even if the examination should reveal that the firm Greutert has sufficient shares in deposit in Ludwigshafen (for the I. G. Consortium account), and that the power of disposal given to Messrs. Schmitz and Roesch does not endanger the security (I do not prejudice any of these questions), we must realize that there is no absolute security available in this case, since there is at least a theoretical possibility that these shares might

15363 be seized someday by some party, either through government action or on account of tax difficulties, or something like that, especially as long as they are deposited in Germany, and then nothing would be left to the firm E. G. & Cie. but a claim of about 23 million marks against an unknown party.

Signed: R. E.

[Handwritten note:]

The Visca holds about 3½ million RM I. G. shares at a book value of about 50%.

The Providentia held about 18¾ million RM nom. Deutsche Solvay shares at a book value of about 30% which were exchanged against 26 million I. G. shares.

15410 **Def. Exhibit No. 655**

Translation

I. G. FARBENINDUSTRIE AKTIENGESELLSCHAFT,
FRANKFURT (MAIN) 20

To Central Finance Administration
Finance Secretary
Loan Dept.
I. G. Berlin NW 7

Legal Dept. Dyestuffs
V.R./H.

June 30, 1941

[initial] K

Teerfarben A. G. Zurich.

Our Messrs. Director Borgwardt and Director Weigandt talked to Dr. Gadow last week about the execution of the transaction planned according to our file memo of May 15 of last year. On that occasion Dr. Gadow pointed out that it would not be expedient to wait for a permit of the Swiss Clearing Office for the repayment of the sfrs. 450,000 from us to the "Tefa". According to information received from "Tefa", as you know, the Swiss Clearing Office adopted the view that the I. G. Chemie, Basle, from a clearing technical view-point is to be considered not as a Swiss enterprise but as identical with the I. G. Therefore, Mr. Gadow proposed the I. G. Chemie should at once sell the nom. sfrs. 500,000 "Tefa" shares to a Swiss big bank at a rate of 125% in connection with I. G. undertaking to furnish adequate security to the Swiss big bank. Following up this
15411 conference Dr. Gadow discussed the problem once more with attorney Gierlichs in Basle, the details of which discussion Mr. Gierlichs communicated to the undersigned by telephone.

We would like to point out the following: The undersigned, together with Mr. Rong, proposed as early as the beginning of November to Dr. Gadow to have a Swiss big

bank do the interim financing of the sale of the shares by I. G. Chemie. At that early date there were conferences held with a gentleman of the Swiss bank in Basle. However, it was decided at the [p. 2] time to wait for the permit of the Clearing Office. When, in the beginning of March, the preliminary negative answer was given by the Clearing Office the undersigned immediately resumed contact with Mr. Rong for the purpose of executing the interim financing in Switzerland as planned in order to have the matter in Switzerland settled at once. At the instance of Mr. Gadow, however, the trip was cancelled because Gadow was interested at the time to get first rid of the discriminating opinion of the Clearing Office. Now that Dr. Gadow has changed his mind on this point we are, as heretofore, gladly willing to use our influence so that the I. G. Chemie can sell the shares without delay.

However, there are misgivings as to taxes against the proposed taking over of the shares by a Swiss big bank. We have so far not been subject to taxation in Switzerland as a firm running a business there. But the danger of such taxation still exists now as in the past. If the Swiss revenue authorities should one day start an investigation of the Swiss big bank as to whether this bank is actually a stock holder

15412 without any ties to us, the bank would have to admit that such ties do exist. For this reason, it is in our interest that the project as laid down in the aforementioned file memo of May 15, 1940, be executed. Since the permission of the Swiss Clearing Office for the return remittance of the sfrs. 450,000 cannot be obtained, this amount must be supplied by way of a loan in that either the I. G. takes a loan of this amount in Switzerland and uses the cash for the repayment of the sfrs. 450,000 or that the I. G. obtains a loan for the "Tefa" in the amount of sfrs. 450,000. The idea to use our stock of merchandise as collateral for the loan to be obtained is unfortunately not feasible because the countervalue of that stock, in accordance with the clearing regulations, must, at all times, go to Germany via clearing. Hence,

the Swiss banks would not consider the stock of merchandise as collateral for the repayment [p. 3] of the loan in Switzerland; this was, just now, explained to us by Mr. Rong over the telephone. That means, we would have to try to obtain the loan without collateral. Inasfar as Messrs. Stocker, Bickel and Siegel do not have the means at their disposal to acquire, at a rate of 125%, the shares of nom. sfrs. 100,000 remaining after the reduction of the capital, we would have to get for them the respective loans through a Swiss bank, if necessary against our guarantee.

Upon a telephone call made today, Mr. Rong declared his willingness to depart from Berlin to Basle on July 10, in order to meet the undersigned there on

Friday, July 11th of this year.

15413 The undersigned has to leave Basle on July 14th because he has to be in Frankfurt on July 15th in order to go on to Holland.

LEGAL DEPARTMENT DYESTUFFS
sgd. von Rospatt

cc: Dept. Switzerland, Frankfurt
Special Bookkeeping, Frankfurt
Banking Dept., Frankfurt

15417

15417 **Def. Exhibit No. 656**

Translation from typewritten photostat of German carbon copy

I. G. FARBENINDUSTRIE AKTIENGESELLSCHAFT
Central Finance Administration
Berlin NW 7

To
Reich Ministry of Economics
Berlin W. 9
Behrenstrasse 43

May 9, 1941.

Our ref.:
Finance Secretariat
D 17 Hz/We. 1504

Re: New Organization of an Ozalid Company in Switzerland.

We are referring to our application of April 29, 1941, and the telephone conversations of the right hand undersigned with Assessor Sommer. We beg to call your attention to the following additional facts:

The cancellation of our relations to I. G. Chemie, Basle, was carried out in order not to endanger the participations of I. G. Chemie in America which are also valuable to us. In carrying through consistently the measures taken so far, the I. G. Chemie is right in taking the viewpoint that it is not a proper course to follow that Teerfarben A. G., Zurich, owned by I. G. Chemie, should do business exclusively for us and our subsidiary company Kalle & Co., A.—G. For this reason, it is necessary to separate from Teerfarben A. G. the dyestuff sales business as well as the Ozalid business, or to sever the company from I. G. Chemie. The latter course has been taken into consideration for the dyestuff business, since it seems expedient not to let appear to the outside any change of representation. I. G. Chemie, therefore, will sell its Teerfarben shares to other parties, whereas the Ozalid business shall be taken away from Teerfarben

A. G. An essential reason for this is a. o. the fact that no parties could be found in Switzerland to whom the shares of Teerfarben A. G. and the total business can be transferred.

15418 Whereas presumably Teerfarben A. G. will, in the future, continue only the dyestuff sales business with a decreased capital, the necessity arises to organize a new firm for the Ozalid business. We wish to remark in this respect that, even in the event that the Ozalid business remained with Teerfarben A. G., the same funds would have to be expended which are required for the establishment of a new company.

Since the new manner in which Kalle & Co. A. G. intends to do the Ozalid business in Switzerland entails no requirements for additional funds, we would appreciate to get your approval of our application.

Incidentally, we wish to emphasize the fact that by transferring [p. 2] at the time the rights of Kalle & Co. against Ozalid Corporation, New York, to Mr. Svenson, Goteborg, the American income tax amounting to $1,000,000.— has been saved; in consideration of which we hope that you will grant us the permit, even though the equivalent of U.S.A. $20,000 will flow back to Germany through Teerfarben A. G. only via clearing.

Heil Hitler!

I. G. Farbenindustrie Aktiengesellschaft
sgd. Scherer sgd. Henze

15436-

15440

Def. Exhibit No. 662

FORM APC-1A
May 1946

DO NOT WRITE IN THIS SPACE
Claim No. ---------- 328
V. O. No. ---------- 5
Account No. ---------- 28-8

UNITED STATES OF AMERICA
OFFICE OF ALIEN PROPERTY CUSTODIAN

NOTICE OF CLAIM FOR RETURN OF PROPERTY

NOTE.—All answers to questions on this form (except names and addresses) must be in English. Amounts of money must be stated in dollars. Copies of documents must be accompanied by English translations. This notice is repeated below in French and in German.

AVIS: Toutes les reponses aux questions ci-dessous doivent etre faites en anglais, sauf en ce qui concerne les noms et adresses. Le montant des sommes doit etre indique en dollars (Etats-Unis). Une traduction en anglais doit etre jointe a chaque document.

ZUR KENNTNISNAHME: Alle Antworten auf die Fragen auf diesem Formular (mit Ausnahme von Namen und Adressen) mussen in englischer Sprache gegeben werden. Geldbetrage mussen in Dollars (Amerikanische Wahrung) angefuhrt werden. Falls Abschriften von Schriftstucken unterbreitet werden, mussen Ubersetzungen in englischer Sprache beigefugt werden.

Please read the accompanying explanation and instructions before filling out the form

1. (a) Claimant's name Societe Internationale pour Participations Industrielles et Commerciales S. A. (also known as Internationale Industrie— & Handelsbeteilig-

ungen A. G.); and formerly known as Societe Internationale pour Entreprises Chimiques S. A. (I. G. Chemie), also formerly known as Internationale Gesellschaft fur chemische Unternehmungen A. G. (I. G. Chemie);

(b) Address Peter Merianstr. 19, Basel, Switzerland

(c) Has claimant filed any other form claiming the same property? Yes X No —
If yes, give date on which claim was filed, and claim number (if known) Feb. 1, 1943; No. 328

2. (a) Claimant's agent (if any) John J. Wilson, attorney at law

(b) Agent's address 815 15th Street, N.W., Washington 5, D. C.

(c) Is agent authorized to receive payment of money or delivery of property, if returned? Yes — No X
If yes, an original power of attorney must be attached.

3. Fees for prosecuting this claim less than maximum allowed by law

4. Value of property claimed not less than one hundred million dollars ($100,000,000.—)

5. Payments for material or services supplied, or patents licensed, to or for the United States Government not applicable

6. Vesting order by which the Alien Property Custodian acquired the property (if known) No. 5

7. Identification of property claimed 455,448 shares of the A stock and 2,050,000 shares of the B stock of General Aniline and Film Corporation; also all dividends

declared thereon, whether in cash or otherwise, and whether or not legally declared, and any other increment on said shares.

8. Are claimant's rights in the property subject to any condition or encumbrance? Yes — No X
(If yes, explain in a supplement)

9. Characterization of claimant.—Answer this item by filling out schedule 9A or 9B. If the claim is filed by an individual, fill out schedule 9A, describing him. If the claim is filed by a group of individuals (such as co-owners or partners), fill out a separate schedule 9A for each member of the group. If the claimant is a corporation or association, fill out schedule 9B.

10. Owner of property on vesting date.
(a) Give the vesting date February 16, 1942, by the Secretary of the Treasury and April 24, 1942, by the Alien Property Custodian.
(This means the date when the Alien Property Custodian took over the property which you are now claiming. If you do not know that date, use the approximate date on which your property was taken, followed by the word "approximately." If you do not know even the approximate date, write "December 7, 1941," and use this as the vesting date in answering questions in this item and in item 11.)

(b) Check the one of the following statements which applies to your claim:

X (1) The claimant was the owner of the property on the vesting date.

— (2) The claimant is the legal representative or successor of an individual who owned the property on the vesting date.

— (3) The claimant is the legal representative or successor of a corporation which owned the property on the vesting date.

(If you checked number (1) above, do not use schedules 10A, or 10B, but go directly to item 11. If you checked number (2) above, fill out schedule 10A. If you checked number (3) above, fill out schedule 10B.)

11. Chain of title to property. — Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date
(b) By whom transferred
(c) To whom transferred
(d) Nature and terms of transfer
(e) Consideration actually paid
(f) If officially recorded or registered, give citation

See attachment for answer hereby made a part hereof.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

12. Other relevant information. — If there are any other facts of which you want to advise the Custodian, write them on a separate sheet of paper under the heading "Supplement to item 12." You may also attach copies of any documents not previously referred to, and mark them in the same way.

~~15400~~

13. Affidavit. — The undersigned makes the following declaration under the penalties of perjury and false swearing:

(a) Check the one of the following statements which applies, and strike out the others:.

— (1) I am the claimant named in item 1.

— (2) I am the claimant's agent, authorized by the attached power of attorney.

X (3) We are officers of the claimant corporation, holding the positions of president [Felix Iselin] and manager [Walter Germann] respectively.

(b) The facts set forth in the foregoing form and in all attached supplements and schedules are true, and all attached documents are true copies of the originals, to the best of our knowledge and belief.

(c) We have no knowledge of any fact called for by the foregoing form, schedules, and instructions which is not fully set forth.

(d) To the best of our knowledge and belief, the property claimed was not at any time after September 1, 1939, held or used pursuant to any arrangement to conceal any interest of an enemy of the United States.

[Stamp]

Swiss Confederation
Canton and City of Basel
Consulate of the United
States of America

Societe Internationale pour Participations
Industrielles et Commercialles S.A.

Signature /s/ Dr. Felix Iselin Walter German
Name of signer [Dr. Felix Iselin] [Walter Germann]
(Please print or typewrite)

14. Notarization.—The foregoing declaration was subscribed and sworn to (or affirmed) before me this 29th day of September 1947

/s/ T. R. Flack
(Official title)
[Stamp] [Seal]
T. R. Flack
Vice Consul of the United States
of America, Basel, Switzerland

No. 1686
NO FEE PRESCRIBED

For answer to item 11 see following supplements and documents attached hereto, hereby made a part hereof:

Supplement No.	1	covering 300,000 A-shares.
Annex No.	1:	Letter Ed. Greutert & Cie. to our corporation dated 8/15/29.
Annex No.	2:	Translation of foregoing letter.
Supplement No.	2	covering 816 A-shares.
Annex No.	1:	Letter American I.G. Chemical Corporation to our corporation, dated 4/11/32.
Supplement No.	3	covering 42,000 A-shares.
Annex No.	1:	Letter Ed. Greutert & Cie. to our corporation, dated 12/31/36.
Annex No.	2:	Translation of foregoing letter.
Supplement No.	4	covering 46,000 A-shares.
Annex No.	1:	Letter Ed. Greutert & Cie. to our corporation, dated 3/31/37.
Annex No.	2:	Translation of foregoing letter.
Supplement No.	5	covering 20,000 A-shares.
Annex No.	1:	Letter our corporation to Osmon Aktiengesellschaft, dated 6/9/41.
Annex No.	2:	Translation of foregoing letter.
Supplement No.	5A	covering 20,000 A-shares.
Annex No.	1:	Letter Ed. Greutert & Cie. to Osmon-Werke A.G., dated 12/17/37.
Annex No.	2:	Translation of foregoing letter.

~~19466~~

Supplement No.	6	covering 46,632 A-shares.
Annex No.	1:	Letter H. Sturzenegger & Cie. to our corporation, dated 12/6/40.
Annex No.	2:	Translation of foregoing letter.
Annex No.	3:	Letter Grutchemie-Konsortium to our corporation, dated 12/6/40.
Annex No.	4:	Translation of foregoing letter.
Supplement No.	6A	covering 46,632 A-shares.
Annex No.	1:	Photographic copy from securities' account of Grutchemie-Konsortium.
Annex No.	2:	Translation of foregoing.
Supplement No.	7	covering 400,000 B-shares.
Annex No.	1:	Letter H. Sturzenegger & Cie. to our corporation, dated 4/30/40.
Annex No.	2:	Translation of foregoing letter.
Supplement No.	7A	covering 400,000 B-shares.
Annex No.	1:	Letter H. Sturzenegger & Cie. to Technik- und Finanz A.-G., dated 4/30/40.
Annex No.	2:	Translation of foregoing letter.
Supplement No.	7B	covering 400,000 B-shares.
Annex No.	1:	Letter Ed. Greutert & Cie. to Technik- und Finanz A.-G., dated 9/30/39.
Annex No.	2:	Translation of foregoing letter.
Supplement No.	7C	covering 400,000 B-shares.
Annex No.	1:	Letter Ed. Greutert & Cie. to N. V. "Chemo" Mij. voor Chemische Ondernemingen, dated 9/30/39.
Annex No.	2:	Translation of foregoing letter.
Annex No.	3:	Letter "Chemo" to Ed. Greutert & Cie., dated 10/5/39.
Annex No.	4:	Translation of foregoing letter.
Annex No.	5:	Letter Ed. Greutert & Cie. to "Chemo," dated 5/10/38.
Annex No.	6:	Translation of foregoing letter.

Supplement No.	7D	covering 400,000 B-shares.
Annex No.	1:	Photographic copy of $-account of "Chemo" with Ed. Greutert & Cie. for year 1929.
Annex No.	2:	Translation of the foregoing.
Annex No.	3:	Letter "Chemo" to Ed. Greutert & Cie., dated 5/30/30.
Annex No.	4:	Translation of foregoing letter.
Annex No.	5:	Letter "Chemo" to Ed. Greutert & Cie., dated 4/30/30.
Annex No.	6:	Translation of foregoing letter.
Supplement No.	8	covering 500,000 B-shares.
Annex No.	1:	Letter H. Sturzenegger & Cie. to our corporation, dated 11/29/41.
Annex No.	2:	Translation of foregoing letter.
Supplement No.	8A	covering 500,000 B-shares.
Annex No.	1:	Letter H. Sturzenegger & Cie. to Industrie Bank A.G., dated 11/29/41.
Annex No.	2:	Translation of foregoing letter.
Annex No.	3:	Letter H. Sturzenegger & Cie. to Industrie Bank A.G., dated 11/29/41.
Annex No.	4:	Translation of foregoing letter.
Supplement No.	8B	covering 500,000 B-shares.
Annex No.	1:	Letter Ed. Greutert & Cie. to Industrie Bank A.G., dated 12/30/37.
Annex No.	2:	Translation of foregoing letter.
Annex No.	3:	Letter Ed. Greutert & Cie. to Industrie Bank A.G., dated 12/30/37.
Annex No.	4:	Translation of foregoing letter.
Supplement No.	9	covering 200,000 B-shares.
Annex No.	1:	Letter H. Sturzenegger & Cie. to our corporation, dated 4/30/40.
Annex No.	2:	Translation of foregoing letter.
Supplement No.	9A	covering 200,000 B-shares.

Supplement No. 9B	covering 200,000 B-shares.
Annex No. 1:	Letter our corporation to "Chemo" Maatschappij voor Chemische Ondernemingen, dated 4/2/35.
Annex No. 2:	Translation of foregoing letter.
Supplement No. 9C	covering 200,000 B-shares.
Annex No. 1:	Letter Ed. Greutert & Cie. to our corporation, dated 10/14/30.
Annex No. 2:	Translation of foregoing letter.
Supplement No. 10	covering 300,000 B-shares.
Annex No. 1:	Letter H. Sturzenegger & Cie. to our corporation, dated 4/30/40.
Annex No. 2:	Translation of foregoing letter.
Supplement No. 10A	covering 300,000 B-shares.
Annex No. 1:	Letter H. Sturzenegger & Cie. to Mithras A.G., dated 4/30/40.
Annex No. 2:	Translation of foregoing letter.
Annex No. 3:	Letter Ed. Greutert & Cie. to Mithras A.G., dated 12/31/37.
Annex No. 4:	Translation of foregoing letter.
Supplement No. 10B	covering 300,000 B-shares.
Annex No. 1:	Letter Ed. Greutert & Cie. to Mithras A.G., dated 12/31/37.
Annex No. 2:	Translation of foregoing letter.
Supplement No. 10C	covering 300,000 B-shares.
Annex No. 1:	Letter Ed. Greutert & Cie. to Mithras A.G., dated 9/2/37.
Annex No. 2:	Translation of foregoing letter.
Supplement No. 10D	covering 300,000 B-shares.
Annex No. 1:	Copy of letter Ed Greutert & Cie. to Mithras A.G., dated 7/1/33.
Annex No. 2:	Translation of foregoing letter.
Supplement No. 11	covering 650,000 B-shares.
Annex No. 1:	Letter H. Sturzenegger & Cie. to our corporation, dated 4/30/40.
Annex No. 2:	Translation of foregoing letter.

Supplement No. 11A	covering 650,000 B-shares.
Annex No. 1:	Letter Ed. Greutert & Cie. to Technik- & Finanz A.-G., dated 9/30/39.
Annex No. 2:	Translation of foregoing letter.
Annex No. 3:	Letter H. Sturzenegger & Cie. to Technik- & Finanz A.-G., dated 4/30/40.
Annex No. 4:	Translation of foregoing letter.
Supplement No. 11B	covering 650,000 B-shares.
Annex No. 1:	Letter Ed. Greutert & Cie. to Technik- & Finanz A.G., dated 9/30/39.
Annex No. 2:	Translation of foregoing letter.
Supplement No. 11C	covering 650,000 B-shares.
Annex No. 1:	Copy of letter Ed. Greutert & Cie. to N.V. Maatschappij voor Industrie en Handelsbelangen, dated 8/11/37.
Annex No. 2:	Translation of foregoing letter.
Annex No. 3:	Copy of letter N.V. Maatschappij voor Industrie en Handelsbelangen to Ed. Greutert & Cie., dated 8/13/37.
Annex No. 4:	Translation of foregoing letter.
Annex No. 3 bis:	Copy of letter Ed. Greutert & Cie. to N.V. Maatschappij voor Industrie en Handelsbelangen, dated 9/30/37.
Annex No. 4 bis:	Translation of foregoing letter.
Annex No. 5:	Copy of letter Ed. Greutert & Cie. to N.V. Maatschappij voor Industrie en Handelsbelangen, dated 9/28/39.
Annex No. 6:	Translation of foregoing letter.
Annex No. 7:	Copy of letter Ed Greutert & Cie. to N.V. Maatschappij voor Industrie en Handelsbelangen, dated 9/28/39.
Annex No. 8:	Translation of foregoing letter.

~~15496~~

Annex No. 9:	Copy of letter N.V. Maatschappij voor Industrie en Handelsbelangen to Ed. Greutert & Cie., dated 9/30/39.
Annex No. 10:	Translation of foregoing letter.
Supplement No. 11D	covering 650,000 B-shares.
Annex No. 1:	Letter Ed. Greutert & Cie. to N.V. Maatschappij voor Industrie en Handelsbelangen, dated 8/11/37.
Annex No. 2:	Translation of foregoing letter.
Supplement No. 12	covering 381,000 A-shares & 2,050,000 B-shares.
Annex No. 1:	Offer by Ed. Greutert & Cie, dated 4/26/29, accepted by American I.G. Chemical Corporation.
Annex No. 2:	Letter by American I.G. Chemical Corporation to Ed. Greutert & Cie., dated 6/5/29.
Supplement No. 12A	covering 74,448 A-shares.
Annex No. 1:	Letter American I.G. Chemical Corporation to Ed. Greutert & Cie., dated 3/28/30.
Annex No. 2:	Letter American I.G. Chemical Corporation to Ed. Greutert & Cie., dated 4/1/30.

For better comprehension of the foregoing documents we file graphic schedules, one for the A-shares and one for the B-shares, on which all transactions referred to in this claim are shown.

15510 SUPPLEMENT NR. 1 COVERING 300.000 A-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 8/15/1929.

(b) By whom transferred: Ed. Greutert & Cie. Basle, Switzerland.

(c) To whom transferred: our corporation.

(d) Nature and terms of transfer: Sale, as per letter, dated 8/15/1929.

(e) Consideration actually paid: $9,597,373.36 equivalent to Sfrs. 49,810,367.75 at 5.19 to be paid_____

(f) If officially recorded or registered, give citation: registered in the name of our corporation.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

~~15512~~

Translation

ED. GREUTERT & CIE.

Cables: Grutederus
Phone: Safran 26.84

Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel, August 15, 1929.

Internationale Gesellschaft fur
Chemische Unternehmungen A.-G.
Basel

By order and on behalf of a foreign consortium we herewith sell to you

300.000 common A shares American I.G. Chemical Corporation

PRICE	Sfr.	49,735,764.—
+ commission 1 %o	"	49,735.75
+ federal stamp tax	"	24,868.—
	Sfrs.	49,810,367.75

value August 15, for which amount we debit your Swiss-franc account.

We accordingly credit your safekeeping account for the shares.

The certificate is established in your name and is deposited in our name but at your risk with Mr. Otto von Schrenk, 50 Church Street in New York.

Yours faithfully,

ED. GREUTERT & CIE.
signatures

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 4/11/1932.

(b) By whom transferred: American I.G. Chemical Corp., New York.

(c) To whom transferred: our corporation.

(d) Nature and terms of transfer: sale, as per letter, dated 4/11/32.

(e) Consideration actually paid: $40,800.—
to be paid----------

(f) If officially recorded or registered, give citation—registered in the name of our corporation.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

~~15515~~

15515 ANNEX NO. 1 TO SUPPLEMENT NO. 2

AMERICAN I.G. CHEMICAL CORPORATION
521 FIFTH AVENUE
NEW YORK

Telephone
Vanderbilt 6715

Cable Address
"AMIGCHEM"

In reply please refer to T/1903.3
April 11th, 1932.

Internationale Gesellschaft fuer
Chemische Unternehmungen A.G.,
Basel 2, Switzerland.

Gentlemen:

According to arrangements made between your Mr. Carl Roesch and our Mr. C. Frank Fahle on March 23rd in Berlin, we confirm having sold to you:

816 shares of common A stock of American I.G. Chemical Corporation at $50.00 per share, equal to a total of— $40,800.00,

for which amount we have debited your account with us, value March 23rd, 1932.

We are keeping the above mentioned securities in safe custody for your account.

Very truly yours,

AMERICAN I.G. CHEMICAL CORPORATION

/s/ W. Greif — /s/ G. F. Fahle
W. Greif — G. F. Fahle
First Vice-Pres. — Treasurer

GFF:EL

15516 SUPPLEMENT NR. 3 COVERING 42,000 A-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 12/31/1936.
(b) By whom transferred: Ed. Greutert & Cie., Basle.

(c) To whom transferred: our corporation.
(d) Nature and terms of transfer: sale, as per letter, dated 12/31/36.
(e) Consideration actually paid: $3,153,150.—equivalent to Sfrs. 13,724,085.40 at 4.35¼ to be paid
(f) If officially recorded or registered, give citation—registered in the name of our corporation.
If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.
Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15518 ANNEX No. 2 TO SUPPLEMENT No. 3

Translation

ED. GREUTERT & CIE.

Cables: Grutederus
Phone: 41.829

Basel 2, December 31, 1936
Post Box

Account Current with
Swiss National Bank
Postal Check Account
V 3512

International Gesellschaft für
Chemische Unternehmungen A.G.
(I.G. Chemie), Basel

We herewith confirm having sold to you
—42.000— *common A shares American I.G. Chemical Co.*

	at $ 75.— each	$ 3,150,000.—
at Swissfrancs 4.35¼ per $		Sfr. 13,710,375.—
+ commission ½‰		" 6,855.20
+ federal stamp tax		" 6,855.20
value December 31, 1936		Sfr. 13,724,085.40

for which amount we debit your Separate Swissfranc Account. We credit your Safekeeping Account for the shares.

Yours faithfully,

Ed. Greutert & Cie:
signatures

15520. SUPPLEMENT NR. 4 COVERING 46 000 A-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 3/31/1937.

(b) By whom transferred: Ed. Greutert & Cie., Basle.

(c) To whom transferred: our corporation.

(d) Nature and terms of transfer: sale, as per letter, dated 3/31/37.

(e) Consideration actually paid: $3,453,450.— equivalent to Sfrs. 15,160,645.50 at 4.39
to be paid

(f) If officially recorded or registered, give citation— registered in the name of our corporation.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15522-23 ANNEX NO. 2 TO SUPPLEMENT NO. 4

Translation

ED. GREUTERT & CIE.

Cables: Grutederus
Phone: 41.829

Basel, 2, March 31, 1937.
Post Box

Account Current with
Swiss National Bank
Postal Check Account
V 3512

Internationale Gesellschaft fur
Chemische Unternehmungen A. G.
(I.G. Chemie), Basel

We herewith confirm having sold to you
—46000— *common A shares American I.G. Chemical Co.*

at $75,— each	$	3,450,000
at Swissfrancs 4.39 per $	Sfr.	15,145,500.—
+ commission ½ ‰	"	7,572.75
+ federal stamp tax	"	7,572.75
	Sfr.	15,160,645.50

for which amount we debit your Secretariat Swissfranc Account, *value March 31, 1937.*

We credit your Safekeeping Account for the shares.

Yours faithfully,

Ed. Greutert & Cie.
Signatures

15525 SUPPLEMENT NR. 5 COVERING 20,000 A-SHARES
(reference to supplement Nr. 5A.)

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 6/9/1941.
(b) By whom transferred: Osmon Aktiengesellschaft, Schaffhausen, Switzerland.
(c) To whom transferred: our corporation.

(d) Nature and terms of transfer: sale, as per letter dated: 6/9/41.

(e) Consideration actually paid: $1,537,513.92 equivalent to Sfrs. 6,626,685.— at 4.31
to be paid

(f) If officially recorded or registered, give citation— still registered in name of Osmon Aktiengesellschaft.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15527-28 ANNEX No. 2 TO SUPPLEMENT No. 5

Translation

Internationale Gesellschaft für Chemische Unternehmungen A.-G.
Societe Internationale pour Entreprises Chimiques S.A.
(I.G. Chemie)

Cables: Igechemie
Phone: 4 79 90

Account Current with
Swiss National Bank.
Postal Check Account:
V 11682

Basel 2 (Post Box) June 9, 1941
Peter Merianstrasse 19

Osmon Aktiengesellschaft
Schaffhausen

According to our agreement we herewith buy from you
20.000 common A shares General Aniline & Film Corporation
at a dump price of Sfr. 6,630,000.—
/. federal stamp tax " 3,315.—

value June 10, 1941 Sfr. 6,626,685.—

for which amount we credit your account with us. You put the shares at our disposal with Messrs. H. Sturzenegger & Cie., Basel.

Yours faithfully,

Internationale Gesellschaft Fuer
Chemische Unternehmungen A.G.
(I.G. Chemie)
Signatures

15530 SUPPLEMENT NO. 5 A COVERING 20.000 A-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 12/17/1937.

(b) By whom transferred: Ed. Greutert & Cie., Basle.

(c) To whom transferred: Osmon Aktiengesellschaft, Schaffhausen, Switzerland.

(d) Nature and terms of transfer: sale, as per letter, dated 12/17/37.

(e) Consideration actually paid: $1,531,530.—equivalent to Sfrs. 6,621,952.90 at 4.32⅜.

(f) If officially recorded or registered, give citation—registered in the name of Osmon Aktiengesellschaft.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

Translation.

ED. GREUTERET & CIE.

Cables: Grutederus
Phone: 41.829

Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel 2, December 17, 1937
Post Box

Osmon-Werke A.-G.,
Schaffhausen.

We herewith confirm having sold to you in order and on behalf of a consortium

—20.000— common A shares American I.G. Chemical Co.

at $76.50	$	1,530,000.—
at Swissfrancs 4.32⅜ per $	Sfr.	6,615,337.50
+ commission	"	3,307.70
+ federal stamp tax	"	3,307.70
	Sfr.	6,621,952.90

for which amount we debit your account with Internationale Gesellschaft fur Chemische Unternehmungen A.-G. (I.G. Chemie), Basel, *value December 17, 1937.*

We credit your safekeeping account for the shares.

Yours faithfully,

Ed. Greutert & Cie.
signatures

11. *Chain of title to property:*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 12/6/1940.

(b) By whom transferred: Grutchemie-Konsortium, Basel.

(c) To whom transferred: our corporation.

(d) Nature and terms of transfer: Partial liquidation of Grutchemie-Konsortium, Basel.

(e) Consideration actually paid $3,618,794.67 equivalent to Sfrs. 15,597,005.03 at 4.31, proportional part of total price of Sfrs. 15,655,871.75 for 46.808 A-shares.

(f) If officially recorded or registered, give citation—still registered in name of Osmon Aktiengesellschaft, Schaffhausen, Switzerland.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

Annotation:

The documents hereto attached show transaction regarding 46.808 common A-shares whereas this supplement covers only 46.632 A-shares. The difference of 176 shares is covered by a separate claim as these shares have been vested by separate vesting order no. 907.

Translation

H. STURZENEGGER & CIE.
Cables: Hasturbank
Phone: 4 18 20

Account Current with
Swiss National Bank
Postal Check Account
V 3512

St/Z

Basel 2, December 6, 1940.
Post Box

Internationale Gesellshaft fur
Chemische Unternehmungen A.-G.
(I.G. Chemie)

Basel

Re Grutchemie-Consortium.

In order and on behalf of Grutchemie-Consortium, we have to put at your disposal

46.808 common A shares General Aniline & Film Corporation, New York.

We therefore beg to inform you that the above mentioned 46.808 shares have been taken today from the safekeeping account of Grutchemie-Consortium and credited to your safekeeping account with us.

As you may know 46.632 shares of the above mentioned stock are registered in the name of Osmon Aktiengesellschaft, Schaffhausen as nominees whereas the remaining 176 shares are registered in the name of Brown Brothers Harriman & Co., New York, or their nominees. The shares registered in the name of Osmon Aktiengesellschaft are deposited in Switzerland whereas the remaining 176 shares are deposited with the above mentioned American bank on our name but for your account and risk.

We have debited your account current with us for one half of the federal stamp tax due on the said transfer of shares with

Fr. 7,827.95 value December 6, 1940,

Please book accordingly.

We are waiting for your eventual orders regarding the said 46.808 shares and remain,

yours faithfully,

signature

15539 ANNEX No. 4 TO SUPPLEMENT No. 6

Translation

GRUTCHEMIE-KONSORTIUM

Basel, December 6, 1940.

Internationale Gesellschaft fur
Chemische Unternehmungen A.-G.,
(I.G. Chemie)

Basel.

In execution of a decision taken by our consortium on the 5th inst., we have put at your disposal with Messrs. H. Sturzenegger & Cie., Basel, the shares to be distributed to you, namely:

—46.808—common A shares General Aniline & Film Corporation, New York.

Accordingly we have debited your partner's account with us with the book-value of the above shares =

sfr. 15,655,871.75

of which please duly take notice.

Yours faithfully

Grutchemie-Konsortium
signatures.

15541 SUPPLEMENT NO. 6 A COVERING 46.632 A-SHARES.

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 12/31/37 - 1/2/38

(b) By whom transferred: Ed. Greutert & Cie., Basel

(c) To whom transferred: Grutchemie-Konsortium, Basel

(d) Nature and terms of transfer: Sale for formation of portfolio of Grutchemie-Konsortium

(e) Consideration actually paid: $3,497,400.—, equivalent to Sfr.: 15,124,156.56 at 4.3244, proportional part of total price of Sfr. 16,570,344.03 for 51091 A-shares.

(f) If officially recorded or registered, give citation: Registered in name of Osmon Aktiengesellschaft, Schaffhausen, Switzerland.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If document are in a foreign language, English translations must also be attached.

Note:

Page 1753 is on Card 31.
Page 1754 is blank.

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 4/30/1940.

(b) By whom transferred: H. Sturzenegger & Cie., Basel.

(c) To whom transferred: our corporation.

(d) Nature and terms of transfer: transaction aiming at cancellation of nomineeship of Chemo Maatschappij voor Chemische Ondernemingen N.V.

(e) Consideration actually paid: $465,737.25 equivalent to Sfrs. 2,077,188.15 at 4.46

(f) If officially recorded or registered, give citation—Still registered in name of Chemo Maatschappij voor Chemische Ondernemingen N.V.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

Translation

H. STURZENEGGER & CIE.
Cables: Hasturbank
Phone: 4 18 29
Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel, April 30, 1940.
Post Box

Internationale Gesellschaft fur Chemische Unternehmungen A.-G. (I.G. Chemie) *Basel.*

We herewith confirm having sold to you
400,000 common "B" shares General Aniline & Film Corporation

at the price of	Sfr. 2,073,042.—
+commission 1%	" 2,073.05
Federal stamp tax	" 2,073.10
	Sfr. 2,077,188.15

for which amount we debit your account current, *value April 30, 1940.*

We credit your safekeeping account for the shares. The said shares are represented by certificate no. 1 re 400,000 shares registered in the name of "Chemo" Maatschappij voor Chemische Ondernemingen N.V., Amsterdam, and deposited in New York for our account.

Yours faithfully,

H. Sturzenegger & Cie.
signatures.

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 4/30/1940

(b) By whom transferred: Technik & Finanz A. G. Basel

(c) To whom transferred: H. Sturzenegger & Cie., Basel

(d) Nature and terms of transfer: transaction aiming at cancellation of nomineeship of Chemo Maatschappij voor Chemische Ondernemingen N. V.

(e) Consideration actually paid: $464,807.62 equivalent to Sfrs: 2,073,042.— at 4.46

(f) If officially recorded or registered; give citation still registered in name of Chemo Maatschappij voor Chemische Ondernemingen N. V.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15551 ANNEX NO. 2 TO SUPPLEMENT NO. 7A.

Translation

H. STURZENEGGER & CIE.
Cables: Hasturbank
Phone: 4 18 29
Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel 2, April 30, 1940.
Post Box
Technik & Finanz A.-G.,
Basel.

We herewith confirm having bought from you —400.000— common "B" shares General Aniline & Film Corporation
at the fixed price of Sfr. 2,073,042.—
value April 30, 1940
to your credit.

(Pencil Annotation: "stamp tax paid by St. & Cie. reg. fol. 52")

We accordingly debit your safekeeping account for the shares.

Yours faithfully,

H. STURZENEGGER & CIE.
signatures.

15553 SUPPLEMENT NR. 7B COVERING 400.000 B-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 9/30/1939
(b) By whom transferred: Ed Greutert & Cie., Basel
(c) To whom transferred: Technik & Finanz A.G., Basel
(d) Nature and terms of transfer: Transaction aiming at cancellation of nomineeship of Chemo Maatschappij voor Chemische Ondernemingen N.V.

(e) Consideration actually paid: $468, 189.28 equivalent to Sfrs. 2,074,078.50

(f) If officially recorded or registered, give citation
Still registered in name of Chemo Maatschappij voor Chemische Ondernemingen N.V.
If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15555 ANNEX No. 2 TO SUPPLEMENT No. 7B.

Translation

ED. GREUTERT & CIE.,
Cables: Grutederus
Phone: 41.829
Account Current with.
Swiss National Bank
Postal Check Account
V 3512

Basel 2, September 30, 1939.
Post Box
Technik & Finanz A.-G.,
Basel.

We herewith confirm having sold to you 400.000 common "B" shares American I.G. Chemical Corporation

at golddollar 1.— net	Sfr.	2,073,042.—
+ federal stamp tax	"	1,036.50
	Sfr.	2,074,078.50

value September 30, 1939, to your debit.

We accordingly credit your safekeeping account for the shares. The said shares are represented by certificate no. 1

15555

to 400.000 shares registered in the name of "Chemo" Maatschappij voor Chemische Ondernemingen N.V., Amsterdam, and deposited in New York for our account.

Yours faithfully,

Ed. Greutert & Cie.
signatures.

15557 SUPPLEMENT NR. 7 COVERING 400,000 B-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 9/30/1939

(b) By whom transferred: Chemo Maatschappij voor Chemische Ondernemingen N.V.

(c) To whom transferred: Ed. Greutert & Cie., Basel

(d) Nature and terms of transfer: Transaction according letter dated 5/10/38 attached

(e) Consideration actually paid: $467,954.85 equivalent to Sfrs. 2,073,040.— at 4.43
Proportional part of total price of Sfrs. 3,109,560.— for 600,000 B-shares credited to debitor's account.

(f) If officially recorded or registered, give citation
Still registered in name of Chemo Maatschappij voor Chemische Ondernemingen N.V.
If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15559-60 ANNEX No. 2 TO SUPPLEMENT No. 7C.

Translation

ED. GREUTERT & CIE.
Cables: Grutederus
Phone : 41.829
Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel, September 30, 1939.

N. V. "Chemo" Maatschappij voor Chemische Ondernemingen,

Amsterdam.

We beg to refer to the shares owned by you, namely 600.000 common B shares American I. G. Chemical Corporation, New York.

According to the agreement laid down in our letter of May 10, 1938, we are entitled to repurchase the total or part of the above mentioned shares at any time on a 14-days notice.

As we have already informed you by telephone, we have decided to exercise this repurchase-right for the total amount.

Therefore you sell to us the said 600.000 common B shares at the price fixed formerly, namely

Sfr. 3,109,560.—
/. " 1,554.80 ½% federal stamp tax

Sfr. 3,108,005.20,

for which amount we have credited your Swissfrancs credit account, *value September 30, 1939.*

We have debited your safekeeping account for the shares.

As to the calculation of interests on the above mentioned transaction, we shall come back to it with a next letter.

Yours faithfully,

sig. Ed. Greutert & Cie.

~~15563~~

15563 ANNEX No. 4 TO SUPPLEMENT No. 7C.

Translation

"Chemo" Maatschappij voor
Chemische Ondernemingen N. V.

Amsterdam—C., October 5, 1939.
Keizersgracht 484
Phone 35943

Ed. Greutert & Cie.,
22, St. Jakobstrasse,
BASEL.

We herewith confirm the receipt of your letter of September 30, regarding

600.000 common B shares American I. G. Chemical Corporation, New York

which shares we have sold to you at the price fixed formerly at

Sfr. 3,109,560.—		
" 1,554.80	½%	federal stamp tax
Sfr. 3,108,005.20		value September 30, 1939.

Yours faithfully,
"Chemo" Maatschappij voor
Chemische Ondernemingen N. V.
signature.

15567 ANNEX No. 6 TO SUPPLEMENT 7C.

Translation

ED. GREUTERT & CIE.
Cables: Grutederus
Phone: 41.829
Account Current with
Swiss National Bank
Postal Check Account
V 3512.

Basel, May 10, 1938.

"Chemo" Maatschappij voor Chemische
Ondernemingen N. V.,
Amsterdam.

We refer to the agreements between you and our firm regarding the transfer of a credit of Sfr. 4,498,593.— from

I. G. Chemie, Basel, to us, which have been laid down in the exchange of correspondence of December 29, 1937.

During the negotiations which have taken place since then, we have agreed to change the arrangements as follows:

You have agreed to grant us an option on the 600.000 common B shares American I. G. Chemical Corporation, New York owned by you. Accordingly we are entitled to repurchase from you at any time until December 31, 1947, the total or part of them on a 14-days notice. The repurchase-price is equal to the purchase-price paid by you for the said shares, namely Sfr. 3,109,560.—. Our credit to you will be prolonged until further notice and we shall debit interests at the rate of 5% p.a. since January 1, 1938. At any time you will be entitled to partly redeem our credit.

As long as our credit has not been completely redeemed, the above mentioned shares will be deposited with us as collateral. You furthermore are not entitled to sell the shares to the third persons as long as our option subsists, nor to charge them during the same period in any other way.

During the period of our option you are entitled to retain from the dividends received on the said shares an amount equivalent to a 5% interest on the purchase-price of Sfr. 3,109,560.—. We herewith guarantee that you will receive the annual income on this basis. On the other hand you will have to remit us any amount
15568 received by you as dividend on the said common B shares inasmuch as it exceeds the guaranteed income for you.

You would oblige us very much by confirming the changed agreement.

Yours faithfully,

ED. GREUTERT & CIE.

~~15570~~

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date 10/7/29

(b) By whom transferred: Ed. Greutert & Cie., Basel

(c) To whom transferred "Chemo" Maatschappij voor Chemische Ondernemingen N. V., Amsterdam

(d) Nature and terms of transfer Sale creating nomineeship of "Chemo" Mij.v. Chemische Ondernemingen N. V.

(e) Consideration actually paid—$400,400.— debited to $-a/c proportional part of price of $900,900.—for a total of 900.000 B-shares of which 500.000 shares were bought back before registration.

(f) If officially recorded or registered, give citation Registered in name of "Chemo" Maatschappij voor Chemische Ondernemingen N. V.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

Note:

Page 1765 is on Card 31.
Page 1766 is blank.

15574 ANNEX No. 4 TO SUPPLEMENT No. 7 D

Translation

Amsterdam, May 30, 1930.

Messrs. Ed. Greutert & Cie.

Basel.

We acknowledge receipt of your statement closed per December 31, 1929, concerning our securities with you and confirm herewith, that we agree as under:

900'000 Common B shares American I. G. Chemical Corporation.

"CHEMO" Maatschappij voor
Chemische Ondernemingen N. V.
signatures

15576 ANNEX No. 6 TO SUPPLEMENT No. 7 D

Translation

Amsterdam, April 30, 1930

Herren Ed. Greutert & Cie.

Basel

We received your statements closed per December 31, 1929, with a balance of

Hfl. 170.562.— in our favour
Sfr. 2.103.770.35 in your favour
$ 913.814.— in your favour

respectively, which we found correct after examination.

"CHEMO" Maatschapij voor
Chemische Ondernemingen N. V.
(signature on stamp)

15578 SUPPLEMENT NR. 8 COVERING 500.000 B-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date 11/29/1941

(b) By whom transferred H. Sturzenegger & Cie., Basel

(c) To whom transferred our corporation

(d) Nature and terms of transfer Transaction aiming at cancellation of nomineeship of Eidgenossische Bank A. G., Zurich.

(e) Consideration actually paid $140,659.16 equivalent to Sfrs. 609,054.15 at 4.33

(f) If officially recorded or registered, give citation. Still registered in name of Eidgenossische Bank A. G., Zurich

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

Translation

H. STURZENEGGER & CIE.
Cables: Hasturbank
Phone: 4 18 29
Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel 2, November 29, 1941.
Post Box
Internationale Gesellschaft fur Chemische
Unternehmungen A.-G., (I.G. Chemie),
Basel.

We herewith confirm having bought for you 500,000 common B shares General Aniline & Film Corporation, New York

at Fr. 1.— per share	Sfr.	500,000.—
+ additional price mutually agreed to —.05 cents per share = $25,000.— at 4.33	"	108,250.—
	Sfr.	608,250.—
+ commission 1%	"	500.—
stamp	"	304.15
	Sfr.	609,054.15

for which amount we debit your account current, *value November 29, 1941.*

We accordingly credit your safekeeping account for the shares.

Yours faithfully,

H. STURZENEGGER & CIE.

Signatures.

15582 SUPPLEMENT NR. 8A COVERING 500.000 B-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 11/29/1941
(b) By whom transferred: Industrie Bank A.G., Zurich
(c) To whom transferred: H. Sturzenegger & Cie., Basel
(d) Nature and terms of transfer: Transaction aiming at cancellation of nomineeship of Eidgenossische Bank A.G., Zurich
(e) Consideration actually paid: $118,155.45 equivalent to Sfrs. 509,250.—at 4.31
(f) If officially recorded or registered, give citation
Still registered in name of Eidgenossische Bank A.G. Zurich

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15585-86 ANNEX NO. 2 TO SUPPLEMENT NO. 8 A.

Translation

H. STURZENEGGER & CIE.
Cables: Hasturbank
Phone: 4 18 29
Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel, November 29, 1941
Post Box

Industrie Bank A.-G.,
Zurich.

We beg to refer to the 500,000 common B shares General Aniline & Film Corporation, New York, held by us for your account and herewith confirm the notice given to you already

orally that we have decided to exercise the option right existing in our favour and to repurchase the 500,000 shares at the conditions formerly agreed to. The repurchase shall be executed as per November 29, a.c.

We therefore beg to hand you separate account for the 500,000 common B shares, which on the basis of the formerly fixed repurchase price of Fr. 1.— per share shows a total of

		Sfr. 500,000.—
+ additional price mutually agreed to 2% =		" 10.000.—
		Sfr. 510,000.—
./. commission 1‰	Fr. 500.—	
./. ½ federal stamp tax	" 250.—	" 750.—
		Sfr. 509,250.—

for which amount we have credited your account current, *value November 29, 1941.*

We furthermore inform you that we have credited your account with

Sfr. 10,347.20 *value November 29th*

for 5% interest for the period from June 30th to November 29th, 1941, and with

Sfr. 2,500.— *value November 29th*

15587 for ½% commission per 1941 on the book-value of Sfr. 500,000.—

On the other side we have debited your safekeeping account for the shares.

We beg to book accordingly and to confirm us that by this transaction all your rights or claims are fully extinguished.

Yours faithfully,

sig. H. Sturzenegger & Cie.

~~15590~~

15590 ANNEX No. 4 TO SUPPLEMENT No. 8 A.

Translation

H. STURZENEGGER & CIE. Basel 2, November 29, 1941.
Cables: Hasturbank Post Box
Phone: 4 18 29
Account Current with Industrie Bank A.-G.,
Swiss National Bank Zurich.
Postal Check Account
V 3512

We herewith confirm having sold for you 500,000 common B shares General Aniline & Film Corporation, New York

at Fr. 1.— per share		Sfr. 500,000.—
+ 2% additional price		" 10,000.—
		Sfr. 510,000.—
./. commission 1%o	Fr. 500.—	
stamp	" 250.—	
		Sfr. 509,250.—

for which amount we credit your account with us, *value November 29, 1941.*

We debit your safekeeping account for the shares.

Yours faithfully,

H. STURZENEGGER & CIE.
signatures.

15592 SUPPLEMENT NR. 8 B COVERING 500.000 SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date 12/30/1937

(b) By whom transferred Ed. Greutert & Cie., Basel

(c) To whom transferred Industrie Bank A. G., Zurich

(d) Nature and terms of transfer Transaction instituting nomineeship of Industrie Bank A. G., option in favour of Ed. Greutert & Cie.

(e) Consideration actually paid — to be paid $599,442.77 equivalent to Sfrs. 2,592,590. at 4.32½ (credit)

(f) If officially recorded or registered, give citation Still registered in name of Eidgenossische Bank A. G., Zurich

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15594 ANNEX No. 2 TO SUPPLEMENT No. 8 B.

Translation

ED. GREUTERT & CIE.
Cables: Grutederus
Phone: 41.829
Account Current with
Swiss National Bank
Postal Check Account
V 3512
Annotation: Copy sent to
Federal Tax Office Stamp
Tax Section 3.23.43

Basel 2, December 30, 1937.
Post Box

Industrie Bank A.-G.,
Zurich.

We herewith confirm having sold to you
—500.000— common B shares American I. G. Chemical Co.

at $ 1.—		$ 500,000.—
at Sfr. 5.18 per $		Sfr. 2,590,000.—
commission ½‰		" 1,295.—
federal stamp		" 1,295.—
		Sfr. 2,592,590.—

for which amount we debit your account with us,
value December 30, 1937.

We accordingly credit your safekeeping account for the shares.

Yours faithfully,

ED. GREUTERT & CIE.
signatures.

15598-99 ANNEX No. 4 TO SUPPLEMENT No. 8 B.

Translation

ED. GREUTERT & CIE.
Cables: Grutederus
Phone: 41.829
Account Current with
Swiss National Bank
~~Postal~~ Check Account
V 3512
Annotation:
Copy sent to Federal
Tax Office Stamp Tax
Section 3.23.43.

Basel 2, December 30, 1937.
Post Box

Industrie Bank A.-G.
Zurich.

We beg to refer to the
500.000 common B shares American I. G. Chemical
Corporation, New York,
sold to you today and acknowledge herewith the agreements between you and our firm concerning this transaction.

The purchase price for the shares mentioned above of Sfr. 2, 592, 590.— will be prolonged until further notice and we shall debit interests at the rate of 5% p.a. At any time you will be entitled to partly redeem our credit.

We are entitled to repurchase from you at any time until December 31, 1947, the total or part of these shares at a 14-days notice. The repurchase price is equal to the purchase price paid by you for the shares & an additional charge which amounts to 2% when the option is exercised before January 1, 1943, or to 3% when the option is exercised after this time.

As long as the purchase price has not been completely redeemed by you, the shares—which are registered as you know in the name of the Federal Bank A.G., Zurich, as nominee—must be deposited with us or a place designated by us as guarantee for the prolonged amount of the purchase price. You furthermore are not entitled to sell the shares to third persons as long as our option subsists nor to charge them during the same period in any other way.

15600

15600 During the period of our option you are entitled to retain from the dividends received on the said shares an amount equivalent to a 5% interest on the purchase price of Sfr 2,592,590.—. Any amount exceeding the guaranteed income has to be remitted to us.

You would oblige us very much by confirming these agreements.

Yours faithfully,

ED. GREUTERT & CIE.
signatures.

15602 SUPPLEMENT NR. 9 COVERING 200,000 B-SHARES.

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 4/30/1940

(b) By whom transferred: H. Sturzenegger & Cie., Basel

(c) To whom transferred: Our corporation

(d) Nature and terms of transfer: Transaction, aiming at cancellation of nomineeship of Chemo Maatschappij voor Chemische Ondernemingen N.V.

(e) Consideration actually paid: $232,751.57 equivalent to Sfrs. 1,038,072.—at 4.46

(f) If officially recorded or registered, give citation
Still registered in name of Chemo Maatschappij voor Chemische Ondernemingen N.V.
If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement;
Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15604 ANNEX No. 2 TO SUPPLEMENT No. 9.

Translation

H. STURZENEGGER & CIE.

Cables: Hasturbank
Phone: 4 18 29
Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel, 2. April 30, 1940.
Post Box
Internationale Gesellschaft fur
Chemische Unternehmungen A.G.
(I.G. Chemie)
Basel.

We herewith confirm having sold to you—200,000—common "B" shares General Aniline & Film Corporation

at $1.— at 5.18	Sfr. 1,036,000.—
+ commission 1% o	" 1,036.—
federal stamp tax	" 1,036.—
	Sfr. 1,038,072.—

for which amount we debit your current account with us, *value April 30, 1940.*

We accordingly credit your safekeeping account. The said shares are represented by certificate No. 20 and registered in the name of "Chemo" Maatschappij voor Chemische Ondernemingen N.V., Amsterdam.

Yours faithfully,

H. STURZENEGGER & CIE.
signatures.

15606 SUPPLEMENT NR. 9 A COVERING 200.000 B-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 9/30/1939
(b) By whom transferred: Chemo Maatschappij voor Chemische Ondernemingen N.V.
(c) To whom transferred: Ed. Greutert & Cie./H. Sturzenegger & Cie.

~~15606~~

(d) Nature and terms of transfer: Transaction according letter dated 5/10/38, vide supplement Nr. 7 C

(e) Consideration actually paid: $233,977.43equivalent to Sfrs. 1,036,520.— at 4.43
Proportional part of total price of Sfrs. 3,109,560.— for 600,000 shares credited to debtor's account.

(f) If officially recorded or registered, give citation
Still registered in name of Chemo Maatschappij voor Chemische Ondernemingen N.V.
If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15607 SUPPLEMENT No. 9 B COVERING 200.000 B-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date 4/2/35

(b) By whom transferred our corporation

(c) To whom transferred "Chemo" Maatschappij voor Chemische Ondernemingen N.V., Amsterdam C.

(d) Nature and terms of transfer Transaction creating nomineeship of "Chemo" Mij. v. Chemische Ondernemingen N.V.

(e) Consideration actually paid — to be paid $334,901.45 equivalent to Sfr.1,036,520.— at 3.09½ debited to Sfr. —account.

(f) If officially recorded or registered, give citation Registered in name of "Chemo" Maatschappij voor Chemische Ondernemingen N.V., Amsterdam-C.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15610 ANNEX No. 2 TO SUPPLEMENT No. 9 B

Translation

Internationale Gesellschaft für Chemische Unternehmungen A.-G. (I. G. Chemie)

Cables: Igechemie
Phone: 4 79 90
Account Current with
Swiss National Bank
Postal Check Account
V. 11682

Basel 2 (Post Box), April 2, 1935.
Peter Merianstrasse 19

"Chemo" Maatschappij voor Chemische Ondernemingen N.V.,
Amsterdam.

According to our arrangement we are selling to you: 200,000 common B shares American I. G. Chemical Corporation, New York.

We debit your Swissfrancs advance-account with

Sfrs. 1,036,520.— value March 31, 1935,

being the equivalent of the purchase price of 1 golddollar per share at the exchange rate of 5.1826. The certificates at your disposal are with Messrs. Ed. Greutert & Cie., Basel.

With regard to the moderate purchase price, we confirm at the same time our arrangement arrived at according to which you have to remit to us dividends and other proceeds accruing from the above mentioned shares inasmuch as they exceed the amount corresponding to 6% annual interest on the purchase total of Sfr. 1,036,520.—

15610

In connection with the before mentioned business, you declared yourselves ready to come to an analogous settlement with validity from January 1, 1935, for the 400.000 B shares of American I. G. Chemical Corp. acquired by you, at an earlier date already, whereby the 6% resulting to you as annual net profit out of eventual dividends are to be accounted from the former price of acquisition for the mentioned shares, i.e. Sfr.2,073,040.— (being the equivalent to 400.000 gold dollars).

15611 Against that we guarantee to you an annual minimum of dividends on your actual possession of 600.000 B shares amounting to 4% of the purchase price totally debited to you and undertake to eventually put the necessary sum at your disposal.

Out of your holding 600.000 common B shares American I. G. Chemical Corp. an annual net profit of Sfr. 124,382.40 shall therefore result to you as a minimum and in case of this enterprise paying sufficient dividends annually Sfr.186,573.60 as a maximum (4% respectively 6% of Sfr.3,109,560.—).

For the time being we shall desist from altering the terms of interest on our credit at the Swissfrancs advance-account. Until further notice the rate of interest stands thus at 6% p.a.

Kindly acknowledge having consented to the above arrangements.

Yours faithfully,

INTERNATIONALE GESELLSCHAFT FUER
CHEMISCHE UNTERNEHMUNGEN A.-G.
(I. G. Chemie)

15613 SUPPLEMENT NR. 9 C COVERING 200.000 B-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date 10/14/30
(b) By whom transferred Ed. Greutert & Cie., Basel
(c) To whom transferred our corporation

(d) Nature and terms of transfer sale
(e) Consideration actually paid $200.400.—
(f) If officially recorded or registered, give citation Registrated in name of our corporation

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15615 ANNEX No. 2 TO SUPPLEMENT No. 9 C.

Translation

ED. GREUTERT & CIE.
Cables: Grutederus
Phone: Safran 26.84
Account Current with Swiss National Bank
Postal Check Account V 3512

Basel 2, October 14, 1930.
Post Box

Internationale Gesellschaft fur
Chemische Unternehmungen A.-G. (I. G. Chemie)
Basel.

According to our agreement, we have sold to you: 200.000 common B shares American I. G. Chemical

Corp: at $ 1.—	=	$ 200,000.—
+ 1% o commission		" 200.—
+ federal stamp tax		" 200.—
		$ 200,400.—

for which amount we debit your Dollar-Account,
Value October 4, 1929.
We credit your safekeeping account for the shares.

Yours faithfully,
ED. GREUTERT & CIE.
signatures.

15617 SUPPLEMENT NR. 10 COVERING 300.000 B-SHARES.

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date 4/30/1940

(b) By whom transferred H. Sturzenegger & Cie., Basel

(c) To whom transferred our corporation

(d) Nature and terms of transfer Transaction, aiming at cancellation of nomineeship of N. V. Maatschappij voor Industrie—en Handelsbelangen

(e) Consideration actually paid $349,127.35 equivalent to Sfrs. 1,557,108. — at 4.46 to be paid —

(f) If officially recorded or registered, give citation Still registered in name of N. V. Maatschappij voor Industrieen Handelsbelangen

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15619 ANNEX NO. 2 TO SUPPLEMENT NO. 10.

Translation

H. STURZENEGGER & CIE. Basel 2, April 30, 1940
Cables: Hasturbank Post Box
Phone: 4 18 29
Account Current with
Swiss National Bank
Postal Check Account
V 3512

Internationale Gesellschaft fur Chemische
Unternehmungen A.-G. (I. G. Chemie)
Basel.

We herewith confirm having sold to you —300,000— common "B" shares General Aniline & Film Corporation

	at $ 1.— at 5.18	Sfr.1,554,000.—
+	commission 1%	" 1,554.—
	federal stamp tax	" 1,554.—
		Sfr.1,557,108.—

for which amount we debit your account current with us, *value April 30, 1940.*

We credit your safekeeping account for the shares. The said shares are represented by certificates No. 32, 33 and 34 re 100.000 shares each, registered in the name of N. V. Maatschappij voor Industrie en Handelsbelangen, Amsterdam.

Yours faithfully,

H. STURZENEGGER & CIE.
signatures

15621 SUPPLEMENT NR. 10 A COVERING 300.000 B-SHARES.

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date 4/30/1940

(b) By whom transferred Mithfas A. G., Schaffhausen, Switzerland

15621

(c) To whom transferred H. Sturzenegger & Cie., Basel

(d) Nature and terms of transfer Transaction pursuant to letter dated 12/31/37 aiming at cancellation of nomineeship of N. V. Maatschappij voor Industrie- en Handelsbelangen

(e) Consideration actually paid $348,430.49 equivalent to Sfrs.1,554,000.— to be paid

(f) If officially recorded or registered, give citation Still registered in name of N. V. Maatschappij voor Industrie- en Handelsbelangen

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15623 ANNEX No. 2 TO SUPPLEMENT No. 10 A.

Translation

H. STURZENEGGER & CIE.

Cables: Hastubank — Basel 2, April 30, 1940.

Phone: 4 18.29 — Post Box

Account Current with

Swiss National Bank — Mithras A.-G.,

Postal Check Account

V 3512 — *Schaffhausen.*

We herewith confirm having bought from you —300.000— common "B" shares General Aniline & Film Corporation

at $ 1.— net at 5.18 — Sfr. 1,554,000.—

to your credit, *value April 30, 1940.*

We debit your safekeeping account for the shares.

Yours faithfully,

H. STURZENEGGER & CIE.

signatures.

15627 ANNEX No. 4 TO SUPPLEMENT No. 10 A.

Translation

ED. GREUTERT & CIE.
Cables: Grutederus
Phone: 41.820
Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel 2, December 31, 1937.
Post Box
Mithras A.-G.,
Schaffhausen.

We beg to refer to the 300,000 common B shares of American I. G. Chemical Corporation,

New York

sold to you today and acknowledge herewith the agreements between you and our firm concerning this transaction.

The purchase price for the shares mentioned above of *Sfr. 1,554,777.—* will be prolonged until further notice and we shall debit interests at the rate of 5% p.a. At any time you will be entitled to partly redeem our credit.

We are entitled to repurchase from you at any time until December 31, 1947, the total or part of these shares at a 14-days notice. The repurchase price is equal to the purchase price paid by you for the said shares, namely Sfr. 1,554,777.—.

As long as our credit has not been completely redeemed, the above mentioned shares will be deposited with us as collateral.

You furthermore are not entitled to sell the shares to third persons as long as our option subsists, nor to charge them during the same period in any other way.

During the period of our option you are entitled to retain from the dividends received on the said shares an amount equivalent to a 5½% interest on the purchase price of Sfr. 1,554,777.—. As agreed any amount exceeding the guaranteed income has to be remitted to us.

~~15627~~

You would oblige us very much by confirming these agreements.

Yours faithfully,

Ed. Greutert & Cie.
signatures.

15628 Supplement No. 10B, covering 300,000 B-shares

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date 12/31/37

(b) By whom transferred Ed. Greutert & Cie., Basel

(c) To whom transferred Mithras A.G., Schaffhausen

(d) Nature and terms of transfer Sale

(e) Consideration actually paid — $359,486.— equivalent Sfr.1,554,777. at 4.32½, debited to Sfr: a/c:

(f) If officially recorded or registered, give citation N. V. Maatschappij voor Industrie en Handelsbelangen, Amsterdam-C.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15630 ANNEX No. 2 TO SUPPLEMENT No. 10 B.

Translation

ED. GREUTERT & CIE.
Cables: Grutederus
Phone: 41.829
Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel 2, December 31, 1937.
Post Box

Mithras A.-G.,
Schaffhausen.

We herewith confirm having bought for you: 300.000 American I. G. Chemical Corporation common "B" shares

at $1.— net,	=	$ 300,000.—
at 5.18 per share	=	Sfr.1,554,000.—
+ federal stamp tax,		" 777.—
		Sfr.1,554,777.—

for which amount we debit your account current with us, *value Dec. 31, 1937.*

We accordingly credit your safekeeping account for the shares.

Yours faithfully,
ED. GREUTERT & CIE.
signatures.

15632 SUPPLEMENT No. 10 C COVERING 300.000 B-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B:)

(a) Date 9/2/37
(b) By whom transferred Mithras A. G. Schaffhausen
(c) To whom transferred Ed. Greutert & Cie., Basel
(d) Nature and terms of transfer Transaction cancelling nomineeship of Mithras A. G.
(e) Consideration actually paid — to be paid $356,933.68 equivalent to Sfr. 1,554,000.—at 4.35 3/8, proportional part of price of Sfr. 6,475,000.— for a total of 1,250,000 B-shares, debited to Sfr.—account.

15633

(f) If officially recorded or registered, give citation
If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

Annotation

The attached document shows transaction regarding 1,250,000 B-shares, of which 950,000 B-shares have finally been sold to General Aniline & Film Corporation, and are today held in treasury. Our claim covers only the remaining 300,000 B-shares.

15634 ANNEX No. 2 TO SUPPLEMENT No. 10 C.

Translation

ED. GREUTERT & CIE.
Cables: Grutederus
Phone: 41.829
Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel 2, September 2, 1937.
Post Box
Mithras A.-G.
Schaffhausen.

We herewith confirm having sold for you today: *1.250.000 American I. G. Chemical Corp. common B shares*
at Sfr. 5.18 net = Sfr. 6,475,000.—
for which amount we credit your account current with us, *value September 3, 1937.*

We debit your Swissfranc current account with *Sfr. 3,237.50, value September 3, 1937,* concerning your share for the payment of the federal stamp tax.

We debit your safekeeping account for the shares.

Yours faithfully,

ED. GREUTERT & CIE.
signatures.

15636 SUPPLEMENT No. 10D COVERING 300,000 B-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date 7/1/33

(b) By whom transferred Ed. Greütert & Cie., Basel

(c) To whom transferred Mithras A.G., Schaffhausen

(d) Nature and terms of transfer Transaction creating nomineeship of Mithras A. G.

(e) Consideration actually paid— $381,349.69 equivalent to Sfrs. 1,554,000—
at 4,075, proportional part of price of
Sfrs. 6,475,000.— for a total of 1,250,000 B-shares, debited to Sfr.-account.

(f) If officially recorded or registered, give citation Registered in name of Mithras A. G.
If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

Annotation

The attached document shows transaction regarding 1,250,000 B-shares, of which 950,000 B-shares have finally been sold to General Aniline & Film Corporation, and are today held in treasury. Our claim covers only the remaining 300,000 B-shares.

~~15638~~

15638-39 ANNEX NO. 2 TO SUPPLEMENT NO. 10 D

Translation

ED. GREUTERT & CIE.
Cables: Grutederus
Phone: 41.829
Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel 2, July 1, 1933.

Mithras A. G.,
Schaffhausen.

We transferred to you:

1.250.000 common B shares of the American I. G. Chemical Corp. at the price of 1 golddollar each and credited your safe-keeping account accordingly.

The equivalent of the purchase price, calculated at the rate of 5.18, has been debited to your account with *Sfr.6,475,000.— value June 30, 1933.*

At the same time we confirm having agreed that credit for the purchase price is given to you for the time being without interest, whereas you have to remit to us all dividends eventually accruing from these shares. We undertook on the other hand to annually compensate to you before closure of your accounts (beginning with the business year 1933) an amount allowing you to pay 10% dividends on your present share-capital of Sfr.200,000.—, limited however to a maximum of Sfr.25,000.—.

Kindly confirm and oblige,

yours faithfully,

ED. GREUTERT & CIE.

15641 SUPPLEMENT NR. 11 COVERING 650,000 B-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date 4/30/1940
(b) By whom transferred H. Sturzenegger & Cie., Basel
(c) To whom transferred our corporation
(d) Nature and terms of transfer Transaction aiming at

cancellation of nomineeship of L. D. Pickering & Co.

(e) Consideration actually paid $756,820.83 equivalent to Sfrs. 3,375,420.90 at 4.46 to be paid —

(f) If officially recorded or registered, give citation Still in name of L. D. Pickering & Co.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15643 ANNEX No. 2 TO SUPPLEMENT No. 11.

Translation

H. STURZENEGGER & CIE.
Cables: Hasturbank
Phone: 4 18 29
Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel 2, April 30, 1940.
Post Box

Internationale Gesellschaft fur Chemische Unternehmungen, A.G., (I.G. Chemie)
Basel.

We herewith confirm having sold to you —650,000— common "B" shares General Aniline & Film Corporation

	at the fixed price of	Sfr.3,368,683.50
+	commission 1% o	" 3,368.70
	federal stamp tax	" 3,368.70
		Sfr.3,375,420.90

for which amount we debit your account current with us, *value April 30, 1940.*

We credit your safekeeping account for the shares.

Yours faithfully,

H. STURZENEGGER & CIE.
signatures.

15645 SUPPLEMENT NR. 11A COVERING 650.000 B-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date 4/30/1940
(b) By whom transferred Technik & Finanz A. G., Basel
(c) To whom transferred H. Sturzenegger & Cie., Basel
(d) Nature and terms of transfer Transaction pursuant to letters dated 9/30/39
(e) Consideration actually paid $755,310.20 equivalent to Sfrs. 3,368,683.50 at 4.46 to be paid —
(f) If officially recorded or registered, give citation Still registered in name of L. D. Pickering & Co.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15647 ANNEX NO. 2 TO SUPPLEMENT NO. 11 A

Translation

ED. GREURT & CIE.
Cables: Grutederus
Phone: 4 18 20
Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel 2, September 30, 1939.
Post Box

Technik & Finanz A. G.,
Basel.

We beg to refer to our today's separate statement of sale concerning the

1.050.000 common B shares American I. G. Chemical Corporation, New York,

and herewith confirm the agreements come to between you

and our firm in connection with this transaction to be as under:

Respite of payment for the purchase price for the above mentioned shares amounting to

Sfr. 5,444,446.40

stays prolonged until further notice and shall bear interests at the rate of 5% p.a. At any time, however, you are entitled to partly redeem our credit.

In compliance with our agreement we guarantee to you for the duration of our contract concerning the 1.050.000 common B shares a net annuity of 5½% on the purchase price charged to you. This guarantee holds good also for such income as would result from eventual compensation values taking the place of the said 1.050.000 common B shares, provided the latter have been exchanged with our consent.

As return service you engaged yourselves to remit to us all net incomes resulting from the said shares and/or from the respective compensation values, as far as they exceed the guaranteed income mentioned above.

As a guarantee for the purchase price due to us as
15648 well as for such excess proceeds eventually appertaining to us on the strength of this agreement and concerning which we beg you to send us an account per end of the business year, you have to make allowance for a mortgage in our favour on the shares in question.

For the duration of agreement you have furthermore undertaken neither to dispose of the shares without our consent nor to mortgage them in favour of third persons, or to charge them in any other way.

The agreement is valid for a period of two years. Both parties are entitled to revocate at the earliest on December 31, 1941, observing a 6-months notice. In the case that no partner makes use of the right of giving notice; the agreement is prolonged for another year, conditions remaining the same. Notice to the agreement being given by us or yourselves, we are entitled to reacquire the shares, respec-

~~15648~~

tively the compensation values replacing them eventually, at the price of

Sfr. 5,444,446.40

taking into account our claims of interest and guarantee pro rata temporis.

We beg you to confirm the above mentioned terms to our agreement.

Yours faithfully,

ED. GREUTERT & CIE.
signatures.

15651 ANNEX NO. 4 TO SUPPLEMENT NO. 11 A.

Translation

H. STURZENEGGER & CIE.
Cables: Hasturbank
Phone: 4 18 29
Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel 2, April 30, 1940.
Post Box.

Technik & Finanz A.-G.,
Basel.

We herewith confirm having bought from you—650.000—common "B" shares General Aniline & Film Corporation at the fixed price of Sfr. 3,368,683.50 for which amount we credit your account, *value April 30, 1949.*

(Pencil Annotation: "stamp tax paid by St. & Cie. reg. fol. 52)

We accordingly debit your safekeeping account for the shares.

Yours faithfully,

H. STURZENEGGER & CIE.
signatures

15653 SUPPLEMENT NR. 11 B COVERING 650.000 B-SHARES.

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date 9/30/1939
(b) By whom transferred Ed. Greutert & Cie., Basel
(c) To whom transferred Technik & Finanz A. G., Basel
(d) Nature and terms of transfer Transaction as per letter dated 9/30/39
(e) Consideration actually paid — to be paid $760,805.40 equivalent to Sfrs. 3,370,367.90 (credit) at 4.43
(f) If officially recorded or registered, give citation Still registered in name of L. D. Pickering & Co.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15655 ANNEX No. 2. TO SUPPLEMENT No. 11 B.

Translation

ED. GREUTERT & CIE.
Cables: Grutederus
Phone: 41829
Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel 2, September 30, 1939.
Post Box

Technik & Finanz A.-G.,
Basel.

We herewith confirm having sold to you —650.000— common "B" shares American I. G. Chemical Corporation

	at golddollar 1.—net	Sfr.3,368,683.50
+	federal stamp tax	" 1,684.40
		Sfr.3,370,367.90

value September 30, 1939 to your debit.

We accordingly credit your safekeeping account for the shares. The said shares are represented by certificate No. 5 re 650.000 shares, registered in the name of L. D. Picker-

ing & Co., New York, as nominee, and deposited with the Bank of the Manhattan Company, New York.

Yours faithfully,

Ed. Greutert & Cie.
signatures.

15657 SUPPLEMENT NR. 11 C COVERING 650.000 B-SHARES.

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date 9/28/1939
(b) By whom transferred N. V. Maatschappij vor Industrie— èn Handelsbelangen
(c) To whom transferred Ed. Greutert & Cie., Basel
(d) Nature and terms of transfer Transaction as per letters dated 8/11/37, 8/13/37
(e) Consideration actually paid $760,425.17 equivalent to Sfrs. 3,368,683.50 at 4.43 credited to debtor's account to be paid —
(f) If officially recorded or registered, give citation Registered in name of L. D. Pickering & Co.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

Annotation:
Some of the attached documents show transactions and agreements regarding 950.000 B-shares of which 300.000 B-shares belong to the parcel of 950.000 B-shares which have finally been sold to General Aniline & Film Corp., and are today held in treasury. Our claim covers only the remaining 650.000 shares.

15660 ANNEX No. 2 TO SUPPLEMENT No. 11 C.

Translation

ED. GREUTERT & CIE.
Cables: Grutederus
Phone : 41.829
Account Current with
Swiss National Bank
Postal Check Account
V 3512

Basel 2, August 11, 1937.

N. V. Maatschappij voor Industrie en Handelsbelangen,
Amsterdam.

We beg to refer to the —650.000— common B shares American I. G. Chemical Corporation,
New York,
sold to you today and herewith acknowledge the agreements between you and our firm concerning this transaction.

The purchase price for the shares mentioned above of Sfr. 2,929,714.15 will be prolonged until further notice and we shall debit interests at the rate of 5% p.a. At any time you will be entitled to partly redeem our credit.

We are entitled to repurchase from you at any time until December 31, 1947, the total or part of these shares at a 14-days notice. The repurchase price is equal to the purchase price paid by you for the said shares, namely Sfr. 2,929,714.15.

As long as the purchase price has not been completely redeemed by you, the shares—which as you know are registered in the name of L. D. Pickering & Co., New York, as nominee—are serving us as guarantee for the prolonged purchase price. You furthermore are not entitled to sell the shares to third persons as long as our option subsists, nor to charge them during the same period in any other wise.

During the period of our option you are entitled to retain from the dividends received on the said shares an amount equivalent to a 5½% interest on the purchase price

of Sfr. 2,929,714.15. Any amount exceeding the guaranteed income has to be remitted to us.

You would oblige us very much by confirming the above mentioned agreements.

Yours faithfully,

Ed. Greutert & Cie.

15663 Annex No. 4 to Supplement No. 11 C.

Translation

Maatschappij voor Industrie
en Handelsbelangen.
Telefoon 35943
Telegram-Adres: Voorindu

Amsterdam, Centrum, Aug. 13, 1937
Bankhaus Ed. Greutert & Cie.,
Basel.

We acknowledge receipt of your letter of 11th inst. regarding the —650,000— common B shares American I. G. Chemical Corp. sold to us.

We accordingly have credited your account with
Sfr. 2,929,714.15
and have taken notice that you will charge us with 5% interest on the amount due to you. But we shall always be entitled to make partial redemptions.

You are entitled to repurchase the total or part of the said shares from us at any time up to December 31, 1937, on a 14-days notice at the purchase price above.

As long as the purchase price has not been redeemed by us entirely, the shares shall be considered as collateral for the said purchase price. Naturally we shall, during the existence of your option right, neither sell the shares to a third party nor charge them in any other kind.

You guarantee us during the period of your option right an income equal to a 5½% interest on the purchase price of Sfr. 2,929,714.15. The remaining part of the income will be paid to you in conformity of our agreements.

We have taken notice that you put the shares at our disposal with the Bank of the Manhattan Company, New York.

Yours faithfully,

N. V. Maatschappij Voor Industrie
En Handelsbelangen
Signature

15666 Annex No. 46b is to Supplement No. 11 C

Translation

Ed. Greutert & Cie.

Basel 2, September 30, 1937.

Cables: Grutederus
Phone: 41.829

Account Current with
Swiss National Bank
Postal Check Account
V 3512

N. V. Maatschappij voor Industrie en Handelsbelangen,

Amsterdam

We beg to refer to our statements of August 11th and September 2nd, 1937, by which we sold to you totally —950.000— common B shares American I. G. Chemical Corp., New York,

All statements shall, as agreed upon in the meantime, be based on the same rate of exchange, i.e. Sfr. 5.18 per $. Out of the 650.000 common B shares sold to you on August 11, a difference therefore results of Sfr. 438,750.—
plus federal stamp tax " 219.35

Sfr. 438,969.35

for which amount we debited your account, *value September 30, 1937.*

By this additional debit the stipulations contained in our letter of August 11, a.c. are modified as follows: The repeatedly mentioned amount of Sfr. 2,929,714.15 is replaced by the increased total purchase price of Sfr. 3,368,683.90

as decisive basis of account for option, interests, and guarantee of interests.

Kindly book accordingly and confirm your consent.

Yours faithfully,

Ed. Greutert & Cie.
signatures.

15670 Annex No. 6 to Supplement No. 11 C

Translation

Ed. Greutert & Cie.

Basel 2, September 28, 1939.

Cables: Grutederus
Phone: 4.1829

Account Current with
Swiss National Bank
Postal Check Account
V 3512

Maatschappij voor Industrie en Handelsbelangen,

Amsterdam.

We refer to the negotiations had with you by which we agreed to exercise our right of repurchase with validity September 30, 1939, on totally 950,000 common B shares American I. G. Chemical Corporation, New York, formerly sold to you.

The repurchase price formerly fixed for 650,000 common B shares amounts to Sfr. 3,368,683.50

and for the remaining 300,000 common B shares to Sfr. 1,554,774.—

Herein included we send you separate accounts for the two above mentioned parcels of shares from which you may learn that we credited your Swissfranc Advance Account for the repurchase with

Sfr. 4,923,457.50
./. " 2,461.75 ½% federal stamp tax

Sfr. 4,920,995.75 value September 30, 1939.

Your safekeeping account has been accordingly debited for the shares.

As to the 300,000 common B shares (certificates no. 32, 33 and 34 for 100,000 shares each) registered in your name, you have been kind enough to declare yourselves ready to remain a nominee for the time being. We shall have to agree regarding commission due to you for this function.

15671 With regard to the 650,000 shares registered in the name of L. D. Pickering as nominees and held in safekeeping account by the Bank of the Manhattan Company, New York, according to your instructions, we shall give you our detailed instructions later.

We beg to book and confirm accordingly and remain,

yours faithfully,

ED. GREUTERT & CIE.

15674 ANNEX NO. 8 TO SUPPLEMENT NO. 11 C

Translation

ED. GREUTERT & CIE.

Basel 2, September 28, 1939

Cables: Grutederus
Phone: 41.829

Post Box

Account Current with
Swiss National Bank
Postal Check Account
V 3512

Maatschappij voor Industrie en Handelsbelangen,

Amsterdam.

We herewith confirm having bought from you 650,000 common B shares American I. G. Chemical Corporation, New York,

at the fixed price of	Sfr. 3,368,683.50
./. federal stamp tax	" 1,684.35
	Sfr. 3,366,999.15

for which amount we credit your Swissfranc credit account, *value September 30, 1939.*

For the present, we debit your safekeeping account for the shares, until you receive our instructions about their delivery.

Yours faithfully,

sig. Ed. Greutert & Cie.

15677 Annex No. 10 to Supplement No. 11 C°

Translation

N. V. Maatschappij voor Industrie en Handelsbelangen / September 30, 1939.

Ed. Greutert & Cie.,
22, St. Jakobstrasse,
Basel.

We acknowledge receipt of your letter of 28th inst. and have debited your Swissfranc credit account for the purchase of 650,000 common B shares American I. G. Chemical Corporation, New York,

at the fixed price of	Sfr. 3,368,683.50
./. federal stamp tax	" 1,684.35
	Sfr. 3,366,999.15

value September 30, 1939.

We shall shortly hand to you a transfer assignment duly notarized.

Yours faithfully,

N. V. Maatschappij voor Industrie en Handelsbelangen
signature.

15679 Supplement No. 11 D covering 650,000 B-shares

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 8/11/37.
(b) By whom transferred: Ed. Greutert & Cie., Basel.
(c) To whom transferred: Mij. v. Industrie en Handelsbel., Amsterdam.

(d) Nature and terms of transfer: Transaction creating nomineeship of Maatschappij voor Industrie en Handelsbelangen, Amsterdam-C.

(e) Consideration actually paid:
$650,000.— equivalent to
Sfr. 2,929,714.15 at 4.50½, debited to Sfr.—a/c.

(f) If officially recorded or registered, give citation: Registered in name of L. D. Pickering & Co., nominees.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15681 ANNEX No. 2 TO SUPPLEMENT No. 11 D

Translation

ED. GREUTERT & CIE.

Cables: Grutederus
Phone: 41.829

Basel 2, August 11, 1937.
Post Box

Account Current with
Swiss National Bank
Postal Check Account
V 3512

Maatschappij voor Industrie en Handelsbelangen,
Amsterdam.

We herewith confirm having bought for you 650.000 American I. G. Chemical Corporation common "B" shares

at $1.— per share	$ 650,000.
at the rate of exchange of 4.50½ mutually agreed to	Sfr. 2,928,250.
+ federal stamp tax	" 1,464.15
	Sfr. 2,929,714.15

15681

for which amount we debit your account current with us, *value August 11, 1937.*

The shares are placed at your disposal with the Bank of the Manhattan Company, New York.

Yours faithfully,

Ed. Greutert & Cie.

15683 SUPPLEMENT No. 12 COVERING 381.000 A-SHARES AND 2.050.000 B-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 4/26/29 / 6/5/29.

(b) By whom transferred: American I. G. Chemical Corporation, New York.

(c) To whom transferred: Ed. Greutert & Cie., Basel.

(d) Nature and terms of transfer: Sale, Ed. Greutert & Cie., acting as agent for our corporation.

(e) Consideration actually paid:

(a) $10.000.000 in cash,

(b) 58.500 shares of the capital stock of General Aniline Works, Inc.,

(c) 20.200 shares of the 7% Cumulative Preferred Stock, par value $100, each of Agfa Ansco Corporation, and

(d) 120.000 Common Shares, no par value of Agfa Ansco Corporation.

(f) If officially recorded or registered, give citation:
300.00 A-shares in name of our corporation
81.000 A-shares in name of Ed. Greutert & Cie., nominees
400.000 B-shares in name of "Chemo" Mij. v. Chemische Ondernemingen N.V., nominees
300.000 B-shares in name of Ed. Greutert & Cie., nominees

200.000 B-shares in name of our corporation
500.00 B-shares in name of Eidgenossische Bank A. G., nominees
650.000 B-shares in name of L. D. Pickering & Co., nominees

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement. Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

15684 ANNEX No. 1 TO SUPPLEMENT No. 12

ED. GREUTERT & CIE.

Basel 10, April 26th, 1929.
Postfach 54

AMERICAN I. G. CHEMICAL CORPORATION
CARE, CORPORATION TRUST COMPANY

Wilmington, Del.

7 West 10th Street

Gentlemen:

We hereby offer to acquire from you *400 000 Common A Shares of your corporation and 3 000 000 Common B Shares of your corporation* and in consideration thereof to pay you

(a) $10 000 000 in cash, and to cause to be delivered to you

(b) 58 500 shares of the capital stock of General Aniline Works, Inc.,

(c) 20 200 shares of the 7% Cumulative Preferred Stock, par value $100, each of Agfa Ansco Corporation, and

15684

(d) 120 000 Common Shares, no par value of Agfa Ansco Corporation.

Please confirm,

Yours truly

(signed) Ed. Greutert & Cie.

Accepted: American I. G. Chemical Corporation
by /s/ Herman A. Metz
President

15685 Annex 2 to Supplement No. 12

AMERICAN I. G. CHEMICAL CORPORATION
TEMPORARY ADDRESS: 285 MADISON AVENUE, SUITE 1710
NEW YORK

Telephone
Lexington 3284
William H. vom Rath
Secretary

Cable Address
IGCHEMICAL

In reply please refer to S

Ed. Greutert & Cie.,
Basel 10
Postfach 10
Switzerland.

June 5, 1929.

Gentlemen:-

Enclosed herewith find copy of your letter dated April 26th, 1929, with our acceptance thereon, duly signed by Mr. H. A. Metz, President of the American I. G. Chemical Corporation on the date of our acceptance.

Yours very truly,

/s/ W. H. vom Rath
Secretary

VR:DWH.78
Encl.

15686 SUPPLEMENT NO. 12A COVERING 74.448 A-SHARES

11. *Chain of title to property.*—Describe below the last transfer of title to the property. (Omit any transfer already described in Schedule 10A or 10B.)

(a) Date: 3/28/30.

(b) By whom transferred: American I. G. Chemical Corporation, New York.

(c) To whom transferred: Ed. Greutert & Cie., Basel.

(d) Nature and terms of transfer: Sale, Ed. Greutert & Cie., acting as agent for our corporation.

(e) Consideration actually paid: $4,379,293.42, Proportional part for 74,448 shares of price of $5,000,000. for 85,000 shares.

(f) If officially recorded or registered, give citation: Registered in name of Ed. Greutert & Cie., nominees.

If there have been any other transfers of the property since March 1, 1938, give the same information about these other transfers, using a supplement.

Attach a copy of each document of title, and of any contract pursuant to which a transfer was made, to each copy of your form. Photographic copies are preferred. If documents are in a foreign language, English translations must also be attached.

Annotation

The documents attached show transaction regarding 85.000 A-shares. The number of 74.448 shares has been determined by deduction in order to reach, together with 381.000 A-shares shown in supplement 12, the total amount of 455.448 A-shares for which this claim is filed.

15687 ANNEX No. 1 TO SUPPLEMENT No. 12A

AMERICAN I. G. CHEMICAL CORPORATION
521 FIFTH AVENUE
Telephone Vanderbilt 6715 — NEW YORK — Cable Address "AMIGCHEM"

In reply please refer to T/1952

March 28th, 1930.

Messrs. Ed. Greutert & Cie.,
Postfach 10,
Basle.

Gentlemen,

We confirm our exchange of cables, as per enclosures, according to which you have purchased from us 85,000 shares of our Common A stock at $58.82352 per share, totalling $5,000,000. , which amount you have credited, value to day, to our check account with you.

A certificate for 85,000 shares of Common A stock *in your name* will be issued in due course, under advice, and will be kept by us in safe custody for your account.

Yours very truly,

AMERICAN I. G. CHEMICAL CORPORATION

/s/ W. Greif
W. Greif
First Vice-Pres.

/s/ G. F. Fahle
G. F. Fahle
Asst. Treasurer

GFF:LF-1027
Enclosures

AMERICAN I. G. CHEMICAL CORPORATION
521 FIFTH AVENUE
Telephone Vanderbilt 6715 NEW YORK Cable Address "AMIGCHEM"

In Reply Please Refer to S

April 1, 1930

Messrs. Ed. Greutert & Cie.,
Postfach 10,
Basle.

Gentlemen:-

Pursuant to our letter of March 28th, we wish to inform you that we received today Temporary Certificate #TO-126 issued for 85,000 Common A shares, no par value, of American I. G. Chemical Corp., to your good selves and which, as requested by you, we are keeping in our safe for your account.

Very truly yours,
AMERICAN I. G. CHEMICAL CORPORATION

/s/ W. Greif
W. Greif
First Vice-President

/s/ R. W. Ilgner
R. W. Ilgner
Assistant-Secretary

RWI:CCH-1245

Note:

Page 1810 is blank.
Pages 1811 and 1812 are
on Card 31.

Pl. Exhibit No. 11 (a)

Translation

PARTNERSHIP CONTRACT:

The withdrawal of Mr. Eduard Greutert, who died on 9th September, 1939, from the limited partnership Ed. Greutert & Co., Basle, and the alternation in the designation of the firm to H. STURZENEGGER & Co. made necessary by this, involves the necessity of a new settlement of the contract concluded between the partners on 15th October, 1938, which, in agreement with all participants, will consequently be replaced by a contract with the following text:

Partnership contract concerning the firm H. Sturzenegger & Co.

1. To the limited partnership existing in Basle under the above title belong:

Dr. Hans Sturzenegger, Binningen/Basle,
as partner with unlimited responsibility, with a capital stake of Frs. 300,000.

the Industrie Bank, A.-G., Zurich,
as limited partner, with a partnership stake of Frs. 4,200,000.

the Internationale Gesellschaft fur Chemische Unternehmungen A.-G. (I. G. Chemie), Basle,
as sleeping partner, with a stake of Frs. 3,500,000.

2. In speaking of partners in the following, all the partners are meant, including the sleeping partner. Reserving divergent stipulations of this contract and of the law, the latter has the same rights and duties as the limited partner.

In speaking of partners with limited responsibility in the following, both the limited partner and the sleeping partner are meant.

3. Objects of the undertaking are banking, finance and commission business.

17175 4. The business-management devolves on the partner with unlimited responsibility, who signs singly for the partnership. The partner with unlimited responsibility guarantees to use his whole working power for the partnership to the exclusion of every other activity with exception of taking on directorships, and to protect its interests to the best of his knowledge and ability.

5. The partners with limited responsibility exercise their rights and duties deriving from this partnership contract (e.g. collaboration in partnership resolutions, inspection, etc.) exclusively through one special delegate for each.

Should a special delegate be prevented from exercising his functions, his deputy will act in his place.

As special delegates or as their deputies for the duration of this contract are appointed:

by the Industrie Bank A.-G.: Mr. C. Mollwo
or Mr. Th. Wolfensperger

by I. G. Chemie: Dr. A. Gadow
or Dr. F. Iselin.

Every partner with limited responsibility has the right to recall his special delegate or the deputy at any time, however, the appointment of a new special delegate or of his deputy will only become effective when the other partners have declared their agreement with his person.

6. In all the cases set out below the business management has to assure itself of the approval of the special delegates of both partners with limited responsibility:

(a) Acquisition, encumbrance and sale of immovable property,

(b) Permanent participations in other undertakings,

(c) Taking on of surety obligations and guarantees for third parties outside the normal course of business,

(d) Establishment of branch offices,

(e) Granting of credits, insofar as the amount conceded to every individual client exceeds Frs. 250,000.— but with the condition, however, that the special delegates are to be informed as speedily as possible of large credits given within this limit of Frs. 250,000.— as well.

17176 Moreover, the business management has to procure the agreement of the special delegate of the limited partner for the appointment of proxy-holders as well as of employees drawing more than Frs. 12,000.— annually.

Insofar as business which needs approval on the basis of the above statements is of an urgent character and the other partners cannot be reached in any way within a suitable period, the business management is entitled to decide on its own and to inform the other partners as speedily as possible. Insofar as no objections are made within two months after the communication took place, such business is considered approved.

7. Partnership resolutions can be procured on the basis of verbal, telephonic, telegraphic or written information.

A meeting is to be called for the formation of a resolution on the demand of even one partner, with a date of invitation which makes it possible for every partner or special delegate to take part in the meeting.

For voting purposes the partner with unlimited responsibility has two votes and the other partners one vote each; the formation of resolutions takes place by majority vote. With parity of votes a proposal is considered rejected. Modifications of the partnership contract can only be resolved unanimously.

8. The partners with limited responsibility are entitled to be informed of the course of the partnership affairs. However, only the special delegates, who have to treat their knowledge as strictly confidential, are personally entitled to inspect the business books and papers of the partnership.

9. The business year is the calendar year. At the end of every year a balance is to be made up according to sound commercial principles, which is to be submitted to all the partners and is to be approved by resolution of the partners.

17177 The annual balance-sheet is to be completed at the latest four months after the conclusion of the business year. The approval by resolution of the partners has to take place in the course of the two months following this. Should agreement not be reached concerning the approval the proceedings according to Art. 17 are to be instituted by the partner who does not agree, otherwise the balance-sheet is considered approved.

The business management is obliged to notify the other partners of possible objections of the auditing organ prescribed by law.

10. The partner with unlimited responsibility draws in advance a salary for his business management to the sum of Frs. 60,000.— to the charge of the expense account. This salary is considered as partnership debt; it is payable in half-yearly installments. — Moreover, interest of 4% p.a. is to be paid in advance on the capital stake of the partner with unlimited responsibility to the charge of the interest account.

Moreover, the partner with unlimited responsibility draws an additional compensation which is established every year by resolution of the partners.

All partners participate in the profit and loss remaining after this, to the proportion of their capital stakes.

11. No partner is entitled to transfer to a third party his participation with rights and duties belonging to it without the approval of all partners. On the other hand every partner with limited responsibility is free to grant other natural or juridical persons a sub-participation in his capital stake. The sub-participant, however, does not acquire the position of a partner. Especially he does

not acquire the authority to inspect the partnership affairs, business books and balance-sheets.

17178 12. This contract is concluded up to 31st December, 1942. It is prolonged by three further years each if it is not terminated by registered letter at least nine months before its expiry.

Should the contract be terminated by a partner or should another reason for withdrawal appear in the person of a partner, the other partners are entitled to continue the partnership insofar as they decide, in the case of termination, up to the date of termination at the latest, in the case of another withdrawal, within one month after the withdrawal of the person here concerned. Insofar as all remaining partners do not make use of the right to continue, it is open to those partners who assert it.

Insofar as no partners with unlimited responsibility remain in the aforesaid case, the limited partner is entitled to convert the partnership into another legal form or to take over the business with assets and liabilities. In the last case, insofar as provisions of this contract or of the law do not oppose it, the then existing book values are in principle to be decisive for the transfer of the assets, whereby, however, the partner with unlimited responsibility or his legal successor, as well as the sleeping partner, are entitled to the premium according to Art. 13 or 14.

13. If the partner with unlimited responsibility withdraws for any reason, the other partners have the right, and on demand from him or his legal successors are obliged, to pay off his capital stake as follows:

In the year 1941 by paying out a sum to the amount of 140% of the nominal stake,

In the year 1942 and ff. should the contract be prolonged—if no new agreement is concluded—by paying out a sum to the amount of 150% of the nominal stake.

The partner with unlimited responsibility herewith

expressly renounces asserting his claims on the basis of a liquidation balance, with effect for his legal successors as well, in

17179 case he or his legal successors are paid out according to the preceding method of compensation within three months from his withdrawal.

14. The other partners have the right to pay off the sleeping partner for his capital stake at any time (also in case of dissolution) with one month's notice, as follows:

In the year 1941 by paying out a sum to the amount of 140% of the nominal stake,

In the year 1942 and ff. should the contract be prolonged—if no new agreement is concluded—by paying out a sum to the amount of 150% of the nominal stake.

Should the sleeping partner withdraw by reason of his own termination, the other partners are entitled to compensate him according to the above scale, whereby, however, the premium is only to be paid out to half its amount.

The compensation of the sleeping partner can in any case be carried out completely or partially by delivery of securities instead of payment, in which case the securities offered are in principle to be calculated at the exchange value at the time of the compensation.

As necessary it is to be determined at the begining of every year by agreement between the partners, what securities are admissible for the compensation—should it take place in the course of the year involved.

The sleeping partner herewith expressly renounces asserting his claims on the basis of a liquidation balance-sheet should he be compensated according to the preceding method within three months from the notice of discharge.

15. If a partner withdraws on the basis of the stipulations of this contract and the partnership is continued by the other partners, or should a conversion of the partnership into another legal form take place, each of the other

partners is herewith individually entitled and authorized to give for the partner withdrawing, if he should be prevented, all necessary declarations of any sort for the

17180 registration of the withdrawal and the entries connected with this to the Commercial Register, or to cooperate in the establishment of the new partnership. The authorizations of the partner with unlimited responsibility imparted hereby remain valid even in the case of his decease or of eventual incapacity to act.

Dr. Hans Sturzenegger herewith declares himself in agreement at the outset, with effect for his legal successors too, that the remaining partners are entitled, in case of his withdrawal, to attach to the partnership to be continued or newly-established, an appendix referring to his name, such as "formerly H. Sturzenegger & Co." or something similar. He herewith expressly empowers the remaining partners, each individually, to carry out the possible formalities necessary for this.

16. Should a reason for liquidation appear without the remaining partners making use of the right to continue or to take over, the partnership is to be liquidated according to the legal stipulations. The sale of immovable property can then take place otherwise than by public auction, in every legally admissible form.

17. An arbitration tribunal decides over differences of opinion concerning the interpretation of the contract and the questions connected with this, to the exclusion of the ordinary legal procedure, whereby each party designates an arbitrator within fourteen days and these together a chairman in the same period. In lack of nominations the president of the Swiss Federal Court deals with it. The arbitration tribunal makes its own standing orders.

On request of a party involved in the conflict, a personality or authority agreeable to all participants is to be invited, before the arbitration procedure, to work out a proposal for settlement and to submit it to the parties

within one month. If no agreement is reached as to the personality or authority to be designated, the
17181 introduction of the aforesaid arbitration tribunal procedure takes place.

18. This contract enters into force on the date on which it is signed and replaces the former partnership contract concerning the firm Ed. Greutert & Co., as well as the other earlier contracts and agreements in connection with this.

The contract has been drawn up in triplicate and one copy has been delivered to each contracting party.

Basle, 28th March, 1941.

The partner with unlimited responsibility:
sig. H. Sturzenegger

INDUSTRIE BANK A.-G.
Represented by Mr. Carl Mollwo as special delegate:
sig. C. Mollwo

INTERNATIONALE GESELLSCHAFT FUER CHEMISCHE UNTERNEHMUNGEN A.-G. (I. G. CHEMIE)
Represented by Dr. A. Gadow as special delegate
sig. Gadow

INDUSTRIE BANK A.-G.
sig. Th. Wolfensperger
sig. C. Mollwo

INTERNATIONALE GESELLSCHAFT FUER CHEMISCHE UNTERNEHMUNGEN A.-G. (I. G. CHEMIE)
sig. Iselin sig. Gadow

17183 Pl. Ex. No. 12(a), Deposition of Hans Sturzenegger

Translation.

SUPPLEMENTARY AGREEMENT

to the partnership contract concerning the firm H. STURZENEGGER & Co. of 28th March, 1941.

In order to secure the legal continuity of the firm H. Sturzenegger & Co., Basle, in case of the withdrawal of the

single partner with unlimited responsibility, the undersigned partners have reached the following agreement amending Art. 1w, alinea 3, of the partnership contract of 28th March, 1941:

Insofar as in the cases indicated in the partnership contract no partner with unlimited responsibility remains, the limited partner (Kommanditarin) is entitled, apart from the rights due to him according to the contract, to continue the partnership with the agreement of the sleeping partner by enrolling a new partner with unlimited responsibility. In case the cooperation of the heirs of the partner with unlimited responsibility should be necessary for compulsory legal reasons, as partner until the entry of the new partner with unlimited responsibility—and only in this case—the partnership will be continued until such time by the heirs of the deceased partner, but for not longer than three months from the date of decease. During this period of transition the business management is to be limited to the continuation of current business avoiding the contraction of new engagements; the heirs are entitled to inspect the current course of business through a neutral party approved by the limited partner.

This supplementary agreement is drawn up in triplicate and a copy has been delivered to each contracting party.
Basle, 3rd April, 1941.

The partner with unlimited responsibility:
sig. H. Sturzenegger

Industrie Bank A.-G.	Internationale Gesellschaft Fuer
Represented by Mr.	Chemische Unternehmungen
Carlo Mollwo as	A.-G. (I. G. Chemie)
special delegate:	Represented by Dr. A. Gadow
sig. C. Mollwo	as special delegate:
	sig. Gadow

Industrie Bank A.-G.	Internationale Gesellschaft Fuer
sig. Th. Wolfensperger	Chemische Unternehmungen
sig. C. Mollwo	A.-G. (I. G. Chemie)
	sig. Iselin
	sig. Gadow

~~[R.15548]~~

General Aniline & Film Corporation

formerly American J.G. Chemical Corporation

Month	day	bought from	nominal			Term of interests	Value	Rate of exchge	Amount	dividends	Total
1938											
January	2	Ed. Goudchaux & Cie	Nos.	51	091		$ 75.-	4.3244			16.570.344.03
December	31	Proceeds of securities								790.642.90	
"	"	Profit on exchange									455.972.85
			Nos.	51	091					790.642.90	17.026.316.88
1939											
January	2	Balance	Nos.	48	791		$ 75.-	4.4224			16.182.998.88
December	31	Proceeds on securities								655.209.55	
	"	Profit on exchange									211.827.92
			Nos.	48	791					655.209.55	16.394.826.80
1940											
January	2	Balance	Nos	46	808		$ 75.-	4.4596			15.655.871.75
December	31	Proceeds on securities								336.909.95	
			Nos.	46	808					336.909.95	[illegible]

[R-15572]

Credit:

Currency: Dollar

Conditions:

Account No. 118 a

„Chemo" Maatsch. v. chemische Ondernemingen, Amsterdam 1

1929 Month	day	Fol.		term		Dollars Debit	Dollars Credit	ex-change	Swiss-Francs Debit	Swiss-Francs Credit
Oct.	8	21	To 900'000 common B shares Am. I.G. Chemical Corporation	Oct.	4	900,900.--		5.18	4.666.662.--	
Dec.	31		to 6 % interest	Dec.	31	12,912.90		5.15	66.501.45	
"	"		to expenses	"	"	1.10		"	5.65	
"	"		by balance	"	"		913,814.--	"		4.706.142.10
"	"		by difference on exchange	"	"					27.027.--
						913,814.--	913,814.--		4.733.169.10	4.733.169.10

~~[R.15689]~~

GENERAL ANILINE & FILM CORPORATION NEW YORK

formerly

American I.G. Chemical Corporation New York

Date of transaction 4.26.29

300,000 A-shares
Transfer to
Ed.Greutert & Cie
Basle

vide Supplement Nr. 12

Date of transaction 8.15.29

300,000 A-shares
Transfer to
INTERHANDEL, BASLE

vide Supplement Nr. 1

Date of transaction 4.11.32

616 A-shares
Transfer to
INTERHANDEL, BASLE

vide Supplement Nr. 2

Date of transaction 4.26.29

42,000 A-shares
Transfer to
Ed.Greutert & Cie.
Basle

vide Supplement Nr. 12

Date of transaction 12.31.36

42,000 A-shares
Transfer to
INTERHANDEL, BASLE

vide Supplement Nr. 3

Date of transaction 4.26.29

46,000 A-shares
Transfer to
Ed. Greutert & Cie.
Basle

vide Supplement Nr. 12

Date of transaction 3.31.37

46,000 A-shares
Transfer to
INTERHANDEL, BASLE

vide Supplement Nr. 4

Date of transaction 4.26.29 3.28.30

20,000 A-shares
Transfer to
Ed. Greutert & Cie.
Basle

12a
vide Supplement Nr.12A

Date of transaction 12.17.37

20,000 A-shares
Transfer to
Comon A.G.
Schaffhausen

vide Supplement Nr. 5A

Date of transaction 6.9.41

20,000 A-shares
Transfer to
INTERHANDEL, BASLE

vide Supplement Nr. 5

Date of transaction 3.28.30

46,632 A-shares
Transfer to
Ed. Greutert & Cie.
Basle

vide Supplement Nr. 12A

Date of transaction 12.31.37

46,632 A-shares
Transfer to
Grutchemie-Konsortium
Basle

vide Supplement Nr. 6A

Date of transaction 12.6.40

46,632 A-shares
Transfer to
INTERHANDEL, BASLE

vide Supplement Nr. 6

American I.G. Chemical Corporation New York

Date of transaction 4.26.29

400,000 B-shares Transfer to Ed. Greutert & Cie. Basle

vide Supplement Nr. 1

Date of transaction 10.7.29

400,000 B-shares Transfer to Chemo, Amsterdam

vide Supplement Nr. 7B

Date of transaction 9.30.39

400,000 B-shares Transfer to Ed. Greutert & Cie. Basle

vide Supplement Nr. 7

Date of transaction 9.30.39

400,000 B-shares Transfer to Technik & Finanz A.G. Basle

vide Supplement Nr. 7B

Date of transaction 4.30.40

400,000 B-shares Transfer to Ed.Stursenegger & Cie. formerly H. Greutert & Cie. Basle

vide Supplement Nr. 7A

Date of transaction 4.30.40

400,000 B-shares Transfer to Interhandel, Basle

vide Supplement Nr. 7

Date of transaction 4.26.29

500,000 B-shares Transfer to Ed. Greutert & Cie. Basle

vide Supplement Nr. 1

Date of transaction 12.30.37

500,000 B-shares Transfer to Industrie-Bank A.G. Zürich

vide Supplement Nr. 8B

Date of transaction 11.29.41

500,000 B-shares Transfer to H. Stursenegger & Cie. formerly Ed. Greutert & Cie. Basle

vide Supplement Nr. 8A

Date of transaction 11.29.41

500,000 B-shares Transfer to Interhandel, Basle

vide Supplement Nr. 8

Date of transaction 4.26.29

200,000 B-shares Transfer to Ed. Greutert & Cie. Basle

vide Supplement Nr. 12

Date of transaction 10.14.30

200,000 B-shares Transfer to Interhandel, Basle

vide Supplement Nr. 9C

Date of transaction 4.2 .35

200,000 B-shares Transfer to Chemo, Amsterdam

vide Supplement Nr. 9B

Date of transaction 9.30.39

200,000 B-shares Transfer to Ed. Greutert & Cie. later H. Stursenegger & Cie. Basle

vide Supplement Nr. 9A

Date of transaction 4.30.40

200,000 B-shares Transfer to Interhandel, Basle

vide Supplement Nr. 9

Date of Transaction 4.26.29

300,000 B-shares Transfer to Ed. Greutert & Cie. Basle

vide Supplement Nr. 12

Date of transaction 7.1.33

300,000 B-shares Transfer to Mithras A.G. Schaffhausen

vide Supplement Nr. 10 D

Date of transaction 9.2.37

300,000 B-shares Transfer to Ed. Greutert & Cie. Basle

vide Supplement Nr. 10C

Date of transaction 12.31.37

300,000 B-shares Transfer to Mithras A.-G. Schaffhausen

vide Supplement Nr. 10 B

Date of transaction 4.30.40

300,000 B-shares Transfer to H. Stursenegger & Cie. Basle

vide Supplement Nr. 10 A

Date of transaction 4.30.40

300,000 B-shares Transfer to Interhandel, Basle

vide Supplement Nr. 10

Date of Transaction 4.26.29

650,000 B-shares Transfer to Ed. Greutert & Cie. Basle

vide Supplement Nr. 12

Date of transaction 8.11.37

650,000 B-shares Transfer to N.V. Maat. voor Ind. en Handelsbelangen

vide Supplement Nr. 11 D

Date of transaction 9.28.39

650,000 B-shares Transfer to Ed. Greutert & Cie. Basle

vide Supplement Nr. 11 C

Date of transaction 9.30.39

650,000 B-shares Transfer to Technik & Finanz A.G. Basle

vide Supplement Nr. 11 B

Date of transaction 4.30.40

650,000 B-shares Transfer to H. Stursenegger & Cie. formerly Ed. Greutert & Cie. Basle

vide Supplement Nr. 11 A

Date of transaction 4.30.40

650,000 B-shares Transfer to Interhandel, Basle

vide Supplement Nr. 11

17185 **Pl. Ex. No. 13(a), Deposition of Hans Sturzenegger**

Translation

RESOLUTION OF THE PARTNERS

OF THE

FIRM H. STURZENEGGER & CO., BASLE.

The undersigned partners of the firm H. Sturzenegger & Co. have agreed, after examination of the circumstances, to make use of the right due to them according to Art. 14 of the partnership contract and, based on this, to repay a part of the sleeping stake of the Internationale Gesellschaft für Chemische Unternehmungen A.-G. (I.G. Chemie), Basle, namely, the sum of

nom. Frs. 2,000,000.

As, in lack of previous designation of the securities to be delivered, no agreement could be reached with I. G. Chemie concerning the proposed delivery of securities based on Art. 14 of the partnership contract, it was agreed that the firm H. Sturzenegger & Co. makes in cash the partial repayment notified and a premium reduced to 25%, which latter is, on the wish of I. G. Chemie, to be discharged in two equal installments in December 1943 and in January 1944.

With regard to the remaining premium claimed by I. G. Chemie it was agreed that the firm H. Sturzenegger & Co. submits proposals to I. G. Chemie within two years, whereby it is understood that in establishing this remaining premium, which has to lie between 1–25%, the then existing circumstances as well as the fact of the cash repayment undertaken in 1943 with renunciation of the use of securities, are to be fairly taken into consideration.

Basle, 16th November, 1943

sig. H. Sturzenegger

Zurich, 17th November, 1943

INDUSTRIE BANK A.-G.
sig. Th. Wolfensperger
sig. C. Mollwo

Translation 2ND COPY

SUPPLEMENTARY AGREEMENT

to the partnership contract concerning the firm H. STURZENEGGER & Co., Basle, of 28th March, 1941.

The partial repayment resolved on on 17th November, 1943, of Frs. 2,000,000.— on the sleeping participation gives rise to some modifications of the partnership contract of 28th March, 1941, the stipulations of which are to be changed in the following points with the agreement of all participants: *Art. 1* is newly drafted as follows:

To the limited partnership existing under the above firm name belong:

Dr. Hans Sturzenegger, Binningen/Basle, as partner with unlimited responsibility, with a capital stake of Frs. 300,000.

Industrie Bank A.G., Zurich as limited partner with a partnership stake of Frs. 4,200,000.

Moreover the Internationale Gesellschaft fur Chemische Unternehmungen A. G. (I. G. Chemie), Basle, participates in the partnership as sleeping partner with a stake of Frs. 1,500,000.—.

Art. 2 is newly drafted as follows:

In speaking of partners in the following all the partners are meant including the sleeping partner.

In speaking of partners with limited responsibility in the following both the limited partner and the sleeping
17190 partner are meant by this.

Art. 5 is newly drafted as follows:

The partners with limited responsibility exercise their rights and duties deriving from the partnership contract

(e.g. cooperation in resolutions of the partners, inspection, etc.) exclusively through special delegates.

As special delegates for the duration of this contract are appointed:

by the Industrie Bank A.G.: Mr. Th. Wolfensperger and Mr. C. Mollwo;

by the Internationale Gesellschaft fur Chemische Unternehmungen A.G. (I.G. Chemie): Dr. Gadow and Dr. F. Iselin.

Each partner with limited responsibility is granted the right to recall his special delegates at any time; however, the appointment of a new special delegate will only become effective when the other partners have declared themselves in agreement with his person.

Art. 6 is newly drafted as follows:

The business management has to assure itself of the approval of a special delegate of the limited partner [Kommanditarin] in all the cases set down below:

(a) Acquisition, encumbrance and sale of immovable property;
(b) Permanent participations in other concerns;
(c) Establishment of branch offices;
(d) Granting of credits, insofar as the amounts permitted to a single client exceed Frs. 250,000., with the condition, however, that a special delegate of the limited partner is to be informed as speedily as is practicable of large credits given within this limit of Frs. 250,000. as well;
(e) Appointment of proxy-holders as well as of employees drawing more than Frs. 12,000. annually.

In taking on of surety-obligations and guarantees for third parties

17191 outside the normal course of business the business management has to procure in addition the approval of a special delegate of the sleeping partner.

Insofar as business which needs approval on the basis of the above statements is of an urgent character and the other partners cannot be reached in any way within a suitable period, the business management is entitled to decide on its own and to inform the other partners as speedily as possible. Insofar as no objections are made within 2 months after the communication took place, such business is considered approved.

Art. 7, clause 3, is newly drafted as follows:

For voting purposes the partner with unlimited responsibility and the limited partner have two votes each and the sleeping partner one vote; the formation of resolutions takes place by majority vote. With parity of votes a proposal is considered rejected.

The other stipulations of the partnership contract of 28th March, 1941, remain in force unchanged.

Basle, 18th December, 1943.

The partner with unlimited responsibility
sig. H. Sturzenegger

The limited partner
INDUSTRIE BANK A.G.
sig. Th. Wolfensperger
sig. C. Mollwo

The sleeping partner
INTERNATIONALE GESELLSCHAFT FUER CHEMISCHE UNTERNEHMUNGEN A.G. (I.G. CHEMIE)
sig. Iselin
sig. Gadow

17193 **Pl. Exhibit No. 15(a)**

Translation.

SUPPLEMENTARY AGREEMENT

to the partnership contract concerning the firm H. STURZENEGGER & CO., BASLE, of 28th March, 1941.

Art. 13 of the partnership contract of 28th March, 1941 is herewith modified and is newly drafted as follows:

"If the partner with unlimited responsibility withdraws for any reason, the other partners are entitled, and on

request of his legal successor or successory, are obliged, to pay off his capital stake by paying out a sum corresponding in percentage to the internal value of the firm as calculated according to the findings of the Neutra Treuhand A.-G., Zurich (or, if the latter should no longer attend to the auditing of the firm, of another first-class trustee company) for the last balance-sheet of the firm, taking into consideration both open and passive reserves.

The partner with unlimited responsibility herewith explicitly renounces, with effect for his legal successor too, to assert his claims on the basis of a liquidation balance in case he or his legal successor are paid out according to the preceding method of compensation within three months from his withdrawal."

Basle, 28th May, 1948.

The partner with unlimited responsibility:
sig. H. Sturzenegger

The limited partner:
INDUSTRIE BANK A.-G.
sig. Th. Wolfensperger

The sleeping partner:
INTERNATIONALE INDUSTRIE & HANDELS-BETEILIGUNGEN A.-G.
sig. Iselin

* * *

17400 **Deposition of Alfred E. Merton**

17416 ALFRED E. MERTON was called for examination by counsel for the Petitioner, and, having been previously duly sworn, was examined and testified as follows:

EXAMINATION ON BEHALF OF PETITIONER

By MR. SCHWARTZ:

Q. What is your name, please? A. Alfred Merton.

MR. SCHWARTZ: At this point I should like the record to show that Dr. Merton is here in response to a subpoena.

By Mr. Schwartz:

Q. Were you served, Dr. Merton, with a subpoena directing you to attend this proceeding? A. Yes. Do you want to see it? It's in my pocket.

Q. No, we have seen it. What is your address, please? A. In New York, 63 East 79th Street.

Q. Your occupation? A. Well, I'm the chairman of a company called the Revertex Corporation of America in New York, and I am the Chairman of the Board, and I am an officer.

Q. What is the business of this company? A. Well, importers of Latex, liquid rubber, and we convert that Latex into products as compounds and dipped
17417 goods, other things. And we also produce plastic sheets of all kinds. I suppose that's all you need.

Q. Dr. Merton, where were you—that is, in what city were you—when you were served with the subpoena of which you have spoken? A. I was here in Washington at the Statler Hotel.

Q. Where were you born? A. In Frankfurt-am-Main, Germany.

Q. When, please? A. Seventy-eight. You want to know the date?

Q. Is that 1878? A. 1878.

Q. Do you make your home in the United States at the present? A. Yes, I do.

Q. Are you a citizen of the United States? A. Yes, I am.

Q. For how long after your birth did you make your home in Germany? A. Well, practically all my life till I left in the year '33.

Q. When did you come to the United States to make your home here? A. In July '39. I think it's June or July '39. I think it was July.

17418 Q. Between 1933 and July of 1939, where did you make your home? A. Mainly in Switzerland. I was a time in England too.

Q. What was your occupation in Germany at the time

you left? A. Well, I was what you would call here president of the Metallgesellschaft. There I was president of the management. It's different.

MR. SCHWARTZ: Off the record.

(Discussion off the record.)

MR. SCHWARTZ: Will you read the response, please (addressing the reporter)?

(The reporter read the last response as written above.)

By MR. SCHWARTZ:

Q. How long had you been employed with the Metallgesellschaft? A. Well, practically all my business life till I left. I must have started in 1900 about—1901—1900 I think.

Q. Will you describe the positions you held with the Metallgesellschaft from, say, World War I, until the time you left Germany? A. Well, there were several corporations in Frankfurt. One was called Metallbank and Metallurgische Gesellschaft, and the other was called Metallgesell-
17419 schaft. I was the Chairman of the Board of the latter, of Metallgesellschaft. I was one of the managers of Metallbank. Later the two were merged. Then I was president of the merged companies. That means president of the management. And the brother of mine was president of the board, to make it clear.

MR. WILSON: What was your brother's name?

THE WITNESS: Richard.

MR. SCHWARTZ: Off the record.

(Discussion off the record.)

MR. WILSON: Put that on the record.

MR. SCHWARTZ: Mr. Wilson, it was perfectly all right for you to ask that question. It advanced us. And we had planned to ask it. But, properly speaking, as counsel for the Respondent, you have no right to ask the witnesses questions on direct examination, with certain minor excep-

tions with respect to the framing of a question put by us. And so, we ask you, will you please refrain from asking the witness questions on direct until cross examination?

MR. WILSON: Mr. Schwartz, I will conduct myself with appropriate deportment and as I have done in probably ten thousand depositions before this one being taken today.

MR. SCHWARTZ: In the event that you ask a question which I do not feel merely advances us, I shall instruct the witness not to answer.

MR. WILSON: You shall do so under the penalty that
17420 the rules provide, Mr. Schwartz.

MR. SCHWARTZ: Will the reporter please read the last question and answer?

(The reporter read the last question and answer of record as written above immediately preceding the question by Mr. Wilson.)

By MR. SCHWARTZ:

Q. About when were the two corporations of which you spoke merged? A. It must have been '27 or '28.

Q. What positions did your brother Richard Merton have with the two corporations of which you spoke prior to their merger? A. Well, prior to the merger we occupied the management, specifically the president of the board, and vice versa. I was president of the board of Metallgesellschaft, president of the board. And my brother Richard was the president of the board of Metallbank. And, on the other side, we were both in the management of the two companies, Richard in Metallgesellschaft and myself in Metallbank.

Q. And, after the merger, what position did your brother Richard have with the merged company? A. He was president of the board.

Q. Will you distinguish between the two boards of the merged company on which you and your brother sat?
17421 A. Well, there were two distinguished boards. The board of Metallbank being the much larger one, and the board of Metallgesellschaft—

Q. I'm sorry; I am speaking with respect to after the merger. A. Oh, after the merger?

Q. After the merger, it seems, you have testified there were two boards of the merged company. A. Well, in Germany it was not possible to be at the same time a manager of a company and to be on the board. It was only possible to delegate, quite temporarily for a short time but where things split in two.

Q. And you and your brother sat on the boards of the merged company? A. Yes, but you had to be either on what they called the Aufsichtsrat or you had to be what they called Direktion. You couldn't be both.

Q. And what positions did you have and your brother have in the merged company? A. Well, in the merged company I was president of the management; of the Direktion—put it that way. And my brother was president of the board of the company.

Q. Will you describe the business conducted by the two companies before their merger and after their merger?

A. Well, before the merger the great idea was which
17422 was conceived by my father already—that trading in metals and minerals and all the trading should be done by people different to those who ran industries. So, the idea was that Metallgesellschaft only should do the trading part of all the metals and minerals we had to do with, what you call non-ferrous metals. And the Metallbank was supposed to do the industrial side and the financial—financing. It was a sort of a holding company too.

But the practical business showed more and more that it wasn't possible to keep the things apart in the long run, and that is why in the end we merged the two companies.

Q. And will you describe the business of the merged company? A. Well, the merged companies produced practically all non-ferrous metals to very large extent. I think that it was the biggest company in that respect—far the biggest in Germany—because copper, aluminum, zinc and lead and tin and some minor metals—and the ores for these

had to be mostly imported from other countries, because they didn't exist in Germany in sufficient quantities.

We traded in these metals. We were, for example, also agents for the International Nickel Corporation of this company for all Europe before the First World War, and after the First World War for great parts of Europe.

17423 We sold all the aluminum produced in Germany and were very big traders in all of these metals. In addition, we had a very big technical business by taking over new inventions, some inventions of this country, and selling it to Europe to those who wanted to have it, and not only the selling but the erecting plants like sulphuric acid plants and all sort of other things.

* * * *

17428 Q. All right. Were you a member of the boards of other German corporations, other than Metallbank and the Metallgesellschaft, between the end of World War I and the time you left Germany in 1933? A. You mean companies which were not within the concern of Metallgesellschaft, or what?

Q. Well, will you give us any German companies, other than Metallbank and Metallgesellschaft? A. Well, I was on the board, in Frankfurt, of Deutsche Gold and Silber Schneideanstalt. I was on the board of that since the death of my father, since '16,

17429 I know that,

Q. Until about when, please? A. Well, until about probably '34, '35.

Q. And what was the business of that company? A. That was a very big chemical company. The main business when the company was started was the separating of gold and silver from other metals, but they did make many other things later on.

Q. Any other companies? A. I was on the board of I. G. Farbenindustrie, at Frankfurt am Main.

I was on the board of Deutsche Bank und Disconto Gesellschaft. I was on the board of Siemens-Schuckertwerke, a big electrical company.

I was on the board of Vereinigte Deutsche Aluminiumwerks. I think that is the exact name. It was the government-owned aluminum producing company. I do not know whether you have that on that list.

Then, I think there were others. There were a lot of companies directly connected with Metallgesellschaft, and I was in other companies, in some companies that were in other countries, too, if you want those.

Q. Yes. A. The Amalgamated Metal Corporation, in London, a big non-ferrous metal company in England, still.

* * * *

17436 Q. Dr. Merton, have you ever owned an interest in a business known as Eduard Greutert & Cie? A. Yes, for Metallgesellschaft and for Metallbank. I had an interest.

(Discussion off the record.)

By Mr. Schwartz:

Q. About when did you acquire that interest? A. During the German inflation time—twenty, I think—twenty.

Q. And about when was that business, Eduard Greutert & Cie, established? A. Well, that same year, '20.

Q. Did you own your interest from the time the term—

17437 did you own your interest from the time the business was established? A. Yes.

Q. Who else owned interests in that business? A. Eduard Greutert & Cie?

Mr. Schwartz: Off the record.

(Discussion off the record.)

The Witness: Will you repeat that? Forgot it now.

Mr. Schwartz: Let us have the reporter read it.

(The pending question was read by the reporter.)

THE WITNESS: Well, the two Frankfurt companies, that is, Metallbank and Metallgesellschaft, were the main partners. Mr. Eduard Greutert had a certain interest in it, a small interest. I don't think there was anybody else. It may be that I and Mr. Euler had a personal small interest in it. I think we had, Mr. Euler holding the part of Gesellschaft, and I holding the part for Metallbank. That is 30 years ago.

17465 Q. Dr. Merton, in the first year of the existence of the firm Eduard Greutert & Cie., what was the nature of the business carried on by that firm? A. Well, there was not much business at all. There were just a few accounts which increased by and by. There were the accounts, probably, of Metallgesellschaft and Metallbank, surely of these two, and probably added to it the accounts of other firms near to us and of some private persons. That is all I can remember.

Q. And what was the kind of business carried on by the firm? A. Well, I can specify that better by saying in a negative way. It certainly wasn't what you call a banking business. It was just a private firm which served certain firms and certain private people.

17466 Q. And how did it serve them? A. Well, it kept their accounts and it kept them out of the danger of inflation up to '24, or '25.

MR. SCHWARTZ: Mr. Wilson, I will say for the record that I feel I am required to lead the witness because of the nature of his answers.

By MR. SCHWARTZ:

Q. Were these accounts for the purchase and sale of commodities or were they some other kind of accounts? A. That is 30 years ago. It may well have been that also sometimes commodities were financed. That I just can't answer. I just don't remember any more.

MR. SCHWARTZ: Would you read the last answer.

(The answer referred to was read by the reporter.)

By Mr. Schwartz:

Q. Did the firm Eduard Greutert & Cie. do a banking business? A. Not what you would call a banking business.

Mr. Wilson: You are still speaking about the first year, Mr. Schwartz?

Mr. Schwartz: Right.

Mr. Wilson: Because you got an answer to that effect before.

Mr. Schwartz: The answer, however, is in the negative. The witness is not stating anything in the positive, and I

17467 am trying to get a positive answer.

Mr. Wilson: He just gave you another negative answer, the same negative answer.

By Mr. Schwartz:

Q. Was the business carried on by the firm in that first year of its organization a private banking business? A. No, I wouldn't call it that.

Q. Can you characterize it affirmatively as to the kind of business it was? A. It was a business which was supposed to safeguard the companies in Frankfurt regarding their currency difficulties, and it was probably used more and more also to finance certain business for which one needed that currency.

Mr. Schwartz: At this point I should like to instruct the reporter that as reporters are substituted one for another, the record should show the full name of the reporter and the initials of that substitute or original reporter, so that it can be clear whose initials are on these various exhibits.

By Mr. Schwartz:

Q. Dr. Merton, how long have you known Eduard Greutert? A. I certainly knew him before the First World War, a number of years before the First World War, I would say.

Q. And how long thereafter did you know him? A. I knew

him—I knew him practically until he died, I suppose. Yes, I always knew him.

17468 Q. Was he ever employed by the Metallgesellschaft or the Metallbank? A. Yes, for quite some years.

Q. About when did he join those enterprises? A. What do you mean?

Q. I'm sorry; I will restate that question. About when was he first employed by the Metallgesellschaft or the Metallbank? A. Well, a number of years before the First World War. That is always the best way I can remember. I should say three or four years before.

Q. And until about when did he continue to be employed by either of the two companies? A. Until to the date we gave him that; we established that firm of Greutert in Basle.

Q. What were Mr. Greutert's duties in the Metallgesellschaft and the Metallbank? A. He was the head of what we called the Bankabteilung, the banking department of Metallbank.

Q. And did he hold that position in about 1919 and 1918? A. All the time until he left.

Q. About what was his salary as head of that department? A. Well, that I don't know exactly to express it in dollars. I would say something between seven and ten thousand dollars, $7,500; 30,000 Marks—good old Marks, I mean. That

17469 is an estimate.

17473 Q. In these discussions, Dr. Mert ., did you discuss Mr. Greutert's finances? A. I don't think that that was of major interest to us. We provided the money.

Q. I should like to attempt to refresh your recollection, Dr. Merton, by showing you Petitioner's Exhibit 1-521 and calling your attention to Section 2 of that document which appears on the first page. Will you please read it, and then

17474 I will ask you some questions about it. The second sentence, in proper translation, makes a reference to the unlimited liability of Mr. Greutert. A. Yes.

Q. Now that you have read that sentence, do you now recall whether in these discussions of which we have been speaking there was any mention of Mr. Greutert's personal finances? A. I know that Mr. Greutert didn't want to engage himself personally to more than was put in this document here, and to the best of my memory I think we released him from any further obligations by special arrangements.

Q. Did the subject of the release of Mr. Greutert from these obligations come up in those discussions? A. Must have come up.

Q. Prior to the establishment of the firm Greutert, Dr. Merton, did you discuss with Mr. Greutert his entry into the firm as a partner? A. I am sure we did.

Q. Did you discuss with him the question of his personal finances? A. That must have come up.

Q. Did you discuss with him his liabilities as a proposed or possible partner in the firm? A. I remember that Mr. Greutert wanted to—although

17475 he was a personal partner in the firm, I remember that he wanted to restrict his liability to a certain sum, to this, which was the sum you mentioned, must have been the sum mentioned in that document you showed me just now, releasing him of further obligations. That I can well remember.

* * *

17478 Q. Dr. Merton, can you describe the suite, the offices, occupied by the firm Greutert in the first year of their organization? A. Well, they were sited in a street in Basle called the Sternengasse in an upper floor of a building which was for lease.

Q. About how large or small was this suite? A. Well, it was a small office. I don't know. My estimate would be five or six or seven rooms or something like that.

Q. About how many employees did the firm have in that

year? A. I can only make an estimate too. I would estimate that ten was the upper limit. I don't know.

Q. Will you describe the development of the firm in size of its offices and the number of its employees by the time you left Germany? A. Well, by that time, of course, it had increased

17479 very much indeed, and it transferred its offices to a house in the Jakobsstrasse at Basle, quite a big house. It was a very big thing. I should estimate the number of employees might have been 30. I don't know the exact number. And its business had increased many fold.

Q. Where did Mr. Greutert make his home at about the time the firm was organized? A. I don't remember exactly where he lived.

Q. I'm sorry; I mean in what city. A. At Basle, I should say, or just outside Basle. I don't remember that. In or near Basle. I don't remember.

Q. I meant only in what city. A. Yes.

Q. Where did you and Mr. Euler make your home in that year, about 1920? A. At Frankfurt-am-Main, or near it.

Q. Who was in charge of the day-to-day affairs of the firm of Greutert? A. Mr. Greutert.

Q. Were any questions referred or put to you and Mr. Euler? A. Well, Mr. Greutert was definitely restricted to in certain ways regarding credits and engaging employees of more importance. There were certainly restrictions, and as far as those came in I am sure he was not allowed to give

17480 credits or to buy stock exchange—at the stock exchange things with any risk. And he had to consult with Mr. Euler and myself mainly because we had undertaken to look after that part of the business.

Q. Were there referred to you questions with respect to the hiring and firing of employees of the firm? A. Well, as far as the top employees went, we had to be consulted; I am quite sure of that. Smaller employees Mr. Greutert probably did on his own, engaged them or fired them on his own.

Q. At what times of the year or month or times of the calendar was compensation paid to the employees of Greutert? A. Well, they got their regular pay and which had been settled with them. And, in addition, they got what we called "gratifikationen"—gratification.

MR. WILSON: Bonus?

THE WITNESS: "Bonuses," they call it here.

MR. SCHWARTZ: You needn't bother translating unless you want to, Dr. Merton.

THE WITNESS: Exactly the same. Gratifikationen or bonus—exactly the same.

By MR. SCHWARTZ:

Q. For what period of time were these bonuses paid? A. For what period?

Q. As of—

17481 A. At the end of the year for services. The end of the fiscal year.

Q. All right. A. That was the general habit with us everywhere, so it was there too.

Q. By "us,"— A. I mean Metallgesellschaft and Metallbank—these two companies.

Q. Who were the senior or higher employees of the firm Greutert in the first years of its organization? A. Well, at first I remember, of course, Mr. Greutert. And the names I remember mostly afterwards: Mr. Mollwo, who came in a few years later; and Mr. Sutter and Mr. Werder and Mr. Haller. I think that's about—those were the top employees. Much later there was Mr. Sturzenegger, but I don't know exactly. He was quite a bit later.

Q. In stating the higher employees, you began with the name Greutert. Is that Eduard Greutert? A. Yes

Q. I believe you have testified that Mr. Greutert was a partner in the firm. Was he a partner in the firm? A. Well, he was a partner in the firm in a nominal way. In fact, he was the manager, the top employee. He was the manager of the firm:

17485 Q. Dr. Merton, how long have you known Carlo Mollwo? A. Well, to the best of my memory Mr. Mollwo came to us either right at the end of the First World War or just after it.

Q. What do you mean by "us"? A. I always mean Metallgesellschaft and Metallbank.

Q. Was he employed by Metallgesellschaft or Metallbank? A. He was in the Bankabteilung—banking department—of Metallgesellschaft.

17486 Q. About how long was he in the Bankabteilung of Metallgesellschaft? A. Well, he came there '18, and Greutert was made '20, and he was a few years after. I would say four or five years.

Q. What were his duties? A. Well, he had to manage the financial affairs of Metallgesellschaft. That meant he had to discount bills and go to the stock exchange every day. If money was needed he would take it in. If we lent out money, he would do that. He was Bankabteilung—the banking department's chief.

Q. And about what was his salary? A. Well, I would estimate it about the same way I said about Mr. Greutert. Let us say about 30,000 marks, but I don't know that too exactly.

Q. Where was he employed after he left Metallgesellschaft? A. He left us to take up his position with Greutert and Company at Basle.

Q. And about what salary did he receive at the outset in the firm Greutert? A. Well, I don't remember that exactly. I suppose it was around something—I don't know—30,000 or 40,000

17487 francs, I don't know. It's an estimate. Too long ago.

Q. Before he took that job with Greutert, did you discuss with anybody his taking that job?

MR. WILSON: Just answer that "yes" or "no," Doctor.

THE WITNESS: Yes. Yes.

By Mr. Schwartz:

Q. With whom did you discuss his taking that job? A. With the top management of the two companies in Frankfurt.

Q. And who were the individuals? A. Always the same. My brother Richard and Euler and some others—lawyers.

Q. Do you remember who proposed him for that job?

Mr. Wilson: Object.

Mr. Schwartz: The ground, please?

Mr. Wilson: That the witness can't repeat hearsay on that subject.

Mr. Schwartz: I have only asked him—may I have the question again, please, Mr. Reporter?

(The reporter read the question referred to.)

Mr. Schwartz: That is only asking for a fact of memory as to who proposed him, and the witness will not be required to repeat anybody's statements. So, Mr. Reporter, will you please read the question again?

(The reporter read the question referred to.)

17488 The Witness: Do I have to say "yes" or "no" or what?

By Mr. Schwartz:

Q. No, there a name, I think, would be the answer, if you remember who proposed him. A. I don't remember exactly. One of the members of the top management.

Q. After Mr. Mollwo took this job with the firm Greutert, did his status as an employee change thereafter? A. What do you mean? At Greutert's?

Q. Yes, sir. A. I don't think so. I don't think so.

Q. Did he ever acquire an interest in the capital of the firm? A. Yes, he did.

Q. About when? A. Well, I don't know. Sometime after he was there probably. I don't know that exactly.

Q. Can you say about when he acquired an interest in

the capital of the firm? A. I can only make an estimate. He must have gotten there about '23 or '24, and I suppose about '25 or '26.

Q. About how large was his interest in the firm? A. I know it wasn't large. It was a small sum—a small amount compared with others.

Q. Would you like to finish that? You said "small
17489 amount compared—". A. Compared with what the Metallgesellschaft or Metallbank put in. It was something more like what Mr. Greutert had put in at the start.

Q. Before Mr. Mollwo acquired that interest in the firm, did you discuss with anyone his acquisition of his future or proposed acquisition of an interest? If that is unclear, please say so. A. In Frankfurt already?

Q. I mean before he left.

MR. SCHWARTZ: Well, I will rephrase the question. That was unclear.

17490 By MR. SCHWARTZ:

Q. Shortly before the time he acquired an interest in the capital of the firm Greutert, did you discuss with anyone the question of his acquiring an interest? A. It must have been discussed, because all these things are discussed. That is the only thing I can answer you.

Q. Do you remember with whom you discussed? A. Always with the same men.

Q. In those discussions, did you discuss the question of Mr. Mollwo's personal wealth? A. As far as I remember, Mr. Mollwo was hesitant to put money in the firm, because he had not much personal wealth, and afterwards he wanted to have a certain part—I am sure he had not much personal wealth when he left Frankfurt to go to Basle.

Q. After he acquired an interest in the capital of the firm, did his duties in the firm of Greutert change? A. I shouldn't think so. I don't know. He was second in command to Mr. Greutert.

Q. Are you finished? A. I don't remember whether that

changed in any way. I only know he was second in command to Mr. Greutert.

Q. Do you remember whether his being second in command changed in any way after he acquired an interest in the capital of the firm? A. No. No.

17491 Q. After he acquired an interest in the capital of the firm, did his responsibilities in the firm change? A. No, I don't think so. I don't see why.

MR. WILSON: I would like to have the time fixed when the witness recalls that he acquired a capital interest in the firm, Mr. Schwartz.

MR. SCHWARTZ: All right. I would like first to see if the record already shows it.

MR. WILSON: Well, he said, "around '23, '24, '25 or '26." That is the way he answered.

MR. SCHWARTZ: I think that is right.

MR. WILSON: Now, I want to know whether it is somewhat contemporaneous with the contract which is numbered 629.

MR. SCHWARTZ: Yes. Since we are agreed that the record shows that the witness fixed a time, I do not propose to ask any other questions with respect to the time. If you would like to, I believe you can very properly and safely reserve that for cross-examination.

MR. WILSON: No, I think it belongs here.

MR. SCHWARTZ: I think it is properly covered.

MR. WILSON: Well, it is hardly an estimate of time to say it was in 1923, 1924, '25 or '26.

If the witness refers to the time in which Mr. Mollwo was a party to a contract, a written contract, then

17492 the written contract is the best evidence. When it comes to reading this record, it is not going to be clear to anyone, and it is not clear to me, whether the witness means that Mr. Mollwo acquired a financial interest in the capital of the firm by informal agreement, by verbal agreement, or by a formal written document.

I do not think it is fair to any of us to leave the record in that shape, because if the witness is referring to things

which are the subject matter of a written document, then the written document is the best evidence.

MR. SCHWARTZ: Well, I appreciate that, Mr. Wilson, but that is an objection that could be relevant to a question I had already asked, as to a time. There was an answer and you did not make objection to the question or the answer. I cannot see what else we can do about it.

MR. WILSON: Why should you argue with me over a thing like this? Isn't it to the interest of both of us to find from the witness whether Mr. Mollwo acquired his interest in the firm by virtue of an informal arrangement or a formal written document?

MR. SCHWARTZ: If you would like to ask him if he remembers whether Mr. Mollwo acquired his interest through a formal document, I will be glad to do that.

MR. WILSON: Yes.

MR. SCHWARTZ: All right. I will ask him.

By MR. SCHWARTZ:

17493 Q. Dr. Merton, do you remember whether Mr. Mollwo acquired his interest in the capital of the firm Greutert through a formal document, such as a contract? A. As far as I remember, it was put down formally, between them, as far as I remember. It must have been.

MR. SCHWARTZ: Does that satisfy you, Mr. Wilson?

MR. WILSON: For the moment, yes.

* * *

17548 By MR. JACOBY:

Q. On the record. Dr. Merton, you remember that yesterday you testified about the nature of the business which was carried on by the firm Greutert in the first year of its existence. Will you now please describe the development of the nature of that business in the subsequent years? A. The business increased by and by because Greutert got more customers and debtors and creditors increased and he made more on commission.

Q. Dr. Merton,— A. His profits increased too.

Q. Are you finished with the answer? A. Yes.

Q. Dr. Merton, you just said he got more customers. Whom did he get as customers?

17549 A. Well, he was a great friend of Mr. Hermann Schmitz, and he got in business contact with him, and he got lots of accounts with Mr. Schmitz especially from his company Badische and, later when it was I.G., from I.G.

Q. Approximately when, according to your recollection, did the firm Greutert get that business which you just described? A. The German inflation ended in the year '24, and I think it mainly started after the inflation had ended. That means it must have started about the end of '24 or '25, to the best of my recollection.

Q. Dr. Merton, you just mentioned the name of Hermann Schmitz. How long have you known Hermann Schmitz? A. Hermann Schmitz was engaged by Metallgesellschaft in my father's times, quite some years before the First World War. I wouldn't know the exact year, but it was quite some years before. And I have known him ever since.

Q. How long did Mr. Schmitz remain employed by the Metallgesellschaft? A. Mr. Schmitz was drafted into the First World War. He was wounded right away and then he was drafted into a Berlin war organization which I think was called Kriegsrohstoffabteilung—the chemical part of it. And he worked mainly on nitrogen products—nitrogen products which were produced to quite some extent by the big chemical indus-

17550 tries mainly by Badische Anilin. Do you want to have the whole story?

Q. Go ahead, please. A. And so when the war was over, I remember that Mr. Bosch, who was the head manager of Badische, came to see me and told me that Mr. Schmitz had, after all, now worked for three years, or during the whole war, only on products of interest to them and not to my

companies, and whether we would agree in a friendly way that he would be engaged by them.

Q. Whom do you mean by "them"? A. Badische. And we agreed on that. And at the same time exchange was made of members of the board of Badische and my companies, me going on the board of Badische and Mr. Bosch and Mr. Schmitz coming on the board of Metallbank.

So, that ended definitely the relations, direct relations, of Mr. Schmitz with us, although he had not worked for Metallbank for quite some years during the war.

Q. You just said that ended definitely the direct relations. A. Managing relations I would say. He had no part any more in the direct business of Metallgesellschaft. He was not responsible there any more. He was on the board, which is another thing, as I told you before.

Q. Dr. Merton, could you please state the full name
17551 of Mr. Schmitz? A. His first name was Hermann. His Christian name was Hermann. Hermann Schmitz. I don't know any others.

Q. Did Mr. Schmitz have any titles? A. Not when he came to us. Later he got the title "Geheimrat." I don't know what sort of Geheimrat; there were many sorts of Geheimrats.

Q. Was it the practice among the partners of the firm Greutert to refer to Mr. Schmitz always by his full name which you have just stated? A. He probably was referred to by all sort of names. As far as I remember, he was called very often "Hermann," as you would do in this country. And he was referred to by the name of his companies too, I am sure—Badische or Ludwigshafen or Mannheim or whatever you want to call it. That always meant Badische Anilin, respectively; Mr. Schmitz their representative. I wouldn't know. There might have been other ways you call him.

Q. You say there might have been other ways of calling him. Do you mean other abbreviations? A. I don't remember. I remember about those.

Q. About which? A. Those which I mentioned, as the usual way to talk about things. You mention the firm or you mention the man or you mention his first name or you mention his second name.

17552 It always meant the same.

Q. Was it the practice among the partners of Greutert to use abbreviations such as you have just mentioned in writing when referring to Mr. Schmitz? A. I don't see why that shouldn't have been done. We all knew what was meant. If "Hermann" was said, we knew what was meant. If "Badische" was said, we knew what was meant. And if they called it by the name of the town—we very often referred to Ludwigshafen or Mannheim, which was the same town really—we always knew what was meant with that, you may be sure.

Q. Dr. Merton, you have just testified about a practice to use abbreviations and the like in describing Mr. Schmitz and his company among the partners of Greutert. Did the practice exist generally in Metallgesellschaft? A. To do what?

Q. To use the abbreviations that you have just stated in referring to Mr Schmitz. A. Well, I suppose from case to case you would find many incidents where that was the case and in others it wasn't. In Germany they were much more formal than they are here. But, if you knew people well, you used the first names.

Q. Dr. Merton, you have stated at the beginning of my examination that the business, the size of the business, of the firm Greutert grew. I ask you in the years following

17553 the beginning of Badische business with Greutert, what was the relative size of that business with Greutert compared to the Metallgesellschaft business with Greutert? A. It would grow at a much quicker pace than Metallgesellschaft's business with Greutert, and in the end it was very big indeed as compared with the business with Metallgesellschaft into Greutert.

Q. Dr. Merton, you have testified about the business which Badische began with the firm Greutert. Was that business carried on in one account? A. No, there were very many accounts. More and more different accounts on the debit and credit side of the balance sheet.

Q. Did you finish your answer? (The witness noded affirmatively.)

17554 Q. Do you recall any of the names of the accounts to which you have just referred? A. Well, some I would recall and others I surely have forgotten. There were quite a big number.

Q. Could you name those which you now recall? A. Well, there was an account under the name of Visca, I remember that.

I think there was an account under the name—there was one, International Stickstoffsyndikat. I don't know the exact name of it but there was a fellow in Heidelberg who had a new way of carbonizing coal, called Bergin or Bergins. That's way I remember it, I think it was Bergin. I think there were accounts of that name.

There were surely accounts of Badische directly. There were a lot of names which did not mean much to me of Swiss companies, and that is why I have forgotten them.

* * *

17567 Q. Dr. Merton, just before we recessed, I handed you the original of the document which is Petitioner's Exhibit 18-461, and I am now asking you please to read the entire document. (Handing document to witness.) A. Yes.

Q. Dr. Merton, did you finish reading? A. Yes.

Q. I would like to direct your attention now, please, to the handwriting which appears on page 10 of the original as well as page 12 of the original, which pages are indicated in the translation. A. That is Mr. Rudolf Euler's handwriting.

Q. Dr. Merton, I call your attention to the date of the document, June 30, 1926. Now that you have read the

entire document, do you remember whether you saw the document at about the time it was written?

17568 A. I am sure I saw the document at the time it was written. I wouldn't say that I remember that. When I saw that document again I remembered it quite well.

Q. You say when you saw the document again you remembered it quite well. Now, after reading the document, do you remember more clearly that you remembered certain portions of the document at the time than others? A. That I really couldn't answer. That I remembered certain portions more than others?

Q. I will rephrase my question. Dr. Merton, do you remember certain portions of the document more clearly than others? A. Well, in a general way I remember that this is one of the complaints, frequent complaints, of Mr. Euler about the handling of affairs. That I remember in a general way so very well that I needn't refer to this special document as far as that goes, because it was always repeated. And I remember, naturally, that we discussed all these companies in Frankfurt which are mentioned here. That I remember very well.

MR. WILSON: I move to strike that portion of Dr. Merton's answer in which he undertook to recount the substance of conversations with Mr. Euler.

MR. JACOBY: On what ground?

MR. WILSON: Upon every ground known to the law of evidence . . .

* * *

17572 Q. Dr. Merton, could you please turn to page 7 of the original—the page number of the original, I see, is indicated in the translation.

MR. WILSON: Yes, they are in the margin.

By MR. JACOBY:

Q. Would you please read from page 7 to page 9 inclusive. Does it come back to you now that you saw this

indicated part of the memorandum specifically? A. It comes back to me that I saw a list of all these,
17573 all these balance sheets of these different companies mentioned, of which I didn't know anything. I know that comes back to me because we discussed that. It comes definitely back to me.

Q. Dr. Merton, I would like you again to look at page 7, the center of the page, the statement which reads—I will read you the translation now: "The 1920 shares are registered as follows."

Do you have the German equivalent of that statement? A. Yes.

Q. Dr. Merton, do you see a list which follows that statement? A. Yes.

Q. I shall now take up the name of each individual appearing in that list and shall ask you a specific question about each individual.

MR. WILSON: I will make one general objection and won't interrupt you.

MR. JACOBY: Make it now.

MR. WILSON: I say I will. It is immaterial and irrelevant and too remote. Now, this will go to your inquiry and the Doctor's answer, in respect of each of the individuals or corporations in the list to which you have just referred.

MR. JACOBY: All right.

By MR. JACOBY:

Q. Dr. Merton, I am going to take up the names of all
17574 individuals appearing in that list. Let's do it one by one. "Michel" (pronounced as "Michael")—do you know a person by that name? A. I met a man called Michel. He was in some higher capacity at Badische Anilin to the best of my memory.

MR. WILSON: Is that this one?

THE WITNESS: Well, Michel (pronounced as "Michael")—they called him Michel.

Mr. Wilson: Well, Michel or Michel (pronounced as "Michael") is the man on this list, the one you are talking about?

The Witness: Yes.

Mr. Jacoby: Could you please read back to me the questions asked by Mr. Wilson, and the answers.

(The questions and answers referred to were read by the reporter.)

By Mr. Jacoby:

Q. Dr. Merton, for the purpose of clarification, I would like to ask you to explain the answer you just gave to Mr. Wilson. A. Well, I answered that Mr. Michel was a man in some higher capacity at Badische Anilin und Sodafabrik whom I met.

Q. Let's go to the next individual, Dr. Merton, if you will please look at the list. A. Yes.

17575 Q. Did you know a person by the name of Bosch?

A. I knew Mr. Bosch, who was the top man of Badische Anilin, very well.

Q. Did I understand you correctly that you say the man whom you know was top man of Badische Anilin? A. Mr. Bosch, yes.

Q. Mr. Schluon. Did you know a person by that name? A. I think that the name is spelled wrong. I think it was without an "l" as far as—Mr. Schuon. I met a Mr. Schuon who was one of the managers of Badische, not a Mr. Schluon.

Q. And the person whom you knew and whom you described as Mr. Schuon, was that person an employee or member of the board of Badische? A. To the best of my memory, yes, sir.

Mr. Wilson: It seems to me the question is: Was that person a shareholder of Fiduziatgesellschaft?

Mr. Jacoby: That is not my line of questioning.

Mr. Wilson: I know it isn't.

Mr. Jacoby: I think we can proceed.

By MR. JACOBY:

Q. Dr. Merton, did you know a person by the name of Julius? A. Yes.

Q. Now, the person by the name of Julius whom you knew,

17576 was that person an employee or member of the board of Badische? A. Yes, to the best of my memory; yes.

Q. Was the person by the name of Julius whom you knew—was that person an employee or member of the board of I. G. Farben? A. That I really wouldn't know.

Q. Let's take the next person, Mr. Bueb. Did you know a person by that name? Please answer yes or no. A. Yes.

Q. Now, the person by the name of Bueb whom you knew, was that person an employee or member of the board of Badische? A. I don't think he was a member of the management anyway. Whether he was a member of the board I don't remember.

Q. Was he a member of the board or an employee of I. G. Farben? A. He was later on the board of I. G. Farben.

Q. Coming to the next individual, Mr. Schmitz, did you know a person by the name of Schmitz? Please answer yes or no. A. Yes.

MR. WILSON: One or more persons by the name of Schmitz?

THE WITNESS: Shall I answer that? Well, Schmitz was a very general name, so I wouldn't dare to answer that I didn't know any other Schmitz.

By MR. JACOBY:

Q. Let's go on. Was any Schmitz whom you knew a member

17577 of the board of Badische? A. The man I knew, Mr. Hermann Schmitz, yes.

Q. Was the person by the name of Schmitz whom you knew a member of the board of I. G. Farben? A. Yes.

Q. Mr. Warmbold. Did you know a person by the name of Warmbold? Please answer only yes or no. A. I can't answer yes or no. I think I met him. I can't say yes or no. I think I met him. I knew the name very well.

Q. You did know somebody by that name? A. I have heard that name often, and I connected him with Badische. That I can answer you.

Q. The next name is Krell, K-r-e-l-l. Did you know a person by that name? Please answer only yes or no. A. You see, that is very hard as to all these many people. I am sure I met them all, and I am sure they all were connected with Badische, but to answer just yes or no—some of them I knew very well, and others I just met. There were so many. Others I just met.

Q. Did you know a person by that name? A. I heard that name and I connect it with Badische in my memory.

Q. What name are you talking about? A. Well, Seidel and Krell—the same applies to all

17578 three.

Q. The next name on the list would be Mr. Roesch. Did you know a person by the name Roesch? A. Yes.

Q. The person by the name Roesch whom you knew, was that person an employee or member of the board of Badische? A. I can't answer that. I can only answer that I knew Mr. Roesch in Switzerland; sitting in the office of Greuterft I met him there very often. And I have seen from this paper—but I didn't remember it, I must frankly admit, that he was in the management of Badische.

Q. The next name is Mr. Weibel. Did you know a person by the name of Weibel? A. Yes.

Q. Now, this person whom you knew, was he an employee or member of the board of Badische? A. Yes.

Q. Was he a member of the board of I. G. Farben? A. Board? Surely not.

Q. All right.

MR. JACOBY: The next name is spelled Gans in the translation. Mr. Wilson, I would like to make a correction on the

translation. The translation doesn't indicate that there is some handwriting on the original, written above that name, as you may note from the photostat.

17579 MR. WILSON: Weibel's name?

MR. JACOBY: No, the following name.

By MR. JACOBY:

Q. Did you know a person by the name of "G-a"—and then something written over—"s"? A. I knew a man called G-a-u-s Gaus.

Q. Was the person by the name of Gaus whom you knew an employee or member of the board of Badische? A. To the best of my memory he was in some capacity with Badische.

Q. Was that person by the name of Gaus whom you knew an employee or member of the board of I. G. Farben? A. I don't think so.

Q. Did you know a person by the name of Heberlein? A. Yes, slightly.

Q. The person by the name of Heberlein whom you knew, was that person a member of the board of Badische? A. No; no.

Q. Thank you. Dr. Merton, you have previously testified that you have known Mr. Euler for many years. Was it a practice of Mr. Euler to write memoranda? A. He loved to write memoranda.

MR. JACOBY: I offer Petitioner's Exhibit 18-461 into evidence.

MR. WILSON: I repeat all that I have heretofore said
17580 about that document as objections why it is not admissible.

By MR. JACOBY:

Q. Dr. Merton, did the partners of the firm Greutert named in the original partnership agreement remain the only partners in the firm? A. They remained so until the I. G. Farben—maybe at first the Badische Anilin und Soda-

fabrik; I don't remember exactly—became a partner too, until we took the Badische Anilin und Sodafabrik and respectively the I. G. Farben-industrie in as partners.

Q. About when did you take the Badische Anilin or I. G. Farben respectively in as partners? A. Around '26.

Q. Approximately what share of the firm did the new partner take?

MR. WILSON: I object. If there is a written document, the written document is the best evidence of it.

MR. JACOBY: Mr. Wilson, I can state for the record that there is no written document, according to our knowledge, admitting the new partner about whom Mr. Merton has just testified, and I therefore do not see how any objection which you could base on the best evidence rule can here apply.

MR. WILSON: I request you—and if you won't do it, I am going to do it—to interrogate the witness as to whether there was a written document or not.

17581 MR. JACOBY: I will be glad to comply with your request.

BY MR. JACOBY:

Q. Dr. Merton, according to your recollection, was there a written document concerning the admission of a new partner into Greutert at the time you have just specified? A. I am definitely sure that there was a written document because I know that we took I. G. Farben, respectively Badische in as a partner and you can't do that without making an agreement.

Q. Do you recall what name appears describing the new partner in the document which you now say must have existed? A. I remember that the name was Visca.

Q. What was the full name of that company Visca that you have just mentioned? A. I don't remember the full name.

MR. WILSON: Doctor, excuse me a moment until I get this

question. I was talking to Mr. Germann and I didn't hear it. Will you please read the last questions.

(The questions and answers referred to were read by the reporter.)

By Mr. Jacoby:

Q. Was Visca an abbreviation for Badische? A. No, I never thought it was; no.

Q. Was it an abbreviation for I. G. Farben? A. No, no. It was a separate—it was a Swiss company,
17582 domiciled, as far as I can remember, in Schaffhausen.

Q. Dr. Merton, whom did you intend to take in as a new partner at that time?

Mr. Wilson: I object to that question for the reason that it makes no difference whom you intended to take in. The question is: Whom did they take in? There could have been an intention to take 20 people in, and they could have taken somebody else. We are concerned here with the issue of who is that partner.

Mr. Jacoby: That, Mr. Wilson, is exactly the issue which I want to establish.

Mr. Wilson: You are not doing it by the question you asked.

Mr. Jacoby: I don't think much will be served if we now go into a discussion of the best evidence rule, and I think you are.

Mr. Wilson: This isn't the best evidence rule, my dear friend. This is purely a question of common sense. You are establishing in this case who was the party to a written document, not whether Mr. Merton and his associates intended to take in ten other guys.

Mr. Jacoby: Mr. Wilson, I think we are getting off the subject.

Mr. Wilson: We are right square on top of the subject. You want to get off the subject.

17583 Mr. Jacoby: Well, why don't we get back to the deposition. I am not admitting any of your objections.

MR. WILSON: I don't care whether you admit them or not. I know they are sound. You ought to know they are sound.

MR. SCHWARTZ: Mr. Wilson, I hesitate to interrupt because I am not conducting the questioning, but I think it is high time that you stopped telling Mr. Jacoby, as you did to me constantly, what we ought to know, what the state of the law is, and such other personal things. Let's proceed with the business of the deposition. May we, please?

MR. WILSON: You may reprimand me when you please and I will reprimand the two of you when I please, but I know what the rules of evidence are and I know what can be asked and what can't be asked, and it doesn't make any sense in this case who was intended to be taken into this.

MR. SCHWARTZ: The purpose of this proceeding is to have questions and have answers, and not to hear your remarks on the law or what we ought to know.

MR. WILSON: You think you are going to take a deposition differently from the way I take them then.

MR. JACOBY: Mr. Wilson, I don't think any purpose is served by a continuation of personal remarks. Shall we proceed?

MR. WILSON: You are asking the questions, Mr. Jacoby. I am certainly not standing in your way.

17584 MR. JACOBY: I just wanted to make that certain.

BY MR. JACOBY:

Q. Dr. Merton, whom did you intend to take in as a new partner at the time specified? A. Badische, respectively the I. G. Farbenindustrie.

Q. After the new partner had come in, whom did you think you had taken in as a new partner?

MR. WILSON: Oh, now. I—

MR. JACOBY: Do you raise the same objection?

MR. SCHWARTZ: Can't you make an objection and let us proceed, Mr. Wilson? You are deliberately trying to postpone the series of questions that Mr. Jacoby is trying to ask.

MR. WILSON: I am not.

MR. SCHWARTZ: If you will make your objections, sir, then we can go on.

MR. WILSON: Whom do you think you are talking to? I object to the form of the question, Mr. Jacoby.

MR. JACOBY: On what grounds?

MR. WILSON: If you want to ask it, go ahead and ask it now, I have made my point.

MR. JACOBY: I will repeat the question.

BY MR. JACOBY:

Q. Dr. Merton, after the new partner had come in, whom did you think you had taken in as a new partner?

17585 A. The Badische, respectively the I. G. Farben.

Q. After the new partner had come in, whom did the Metallgesellschaft think it had taken in as a new partner?

MR. WILSON: Objection upon the ground that Metallgesellschaft can't think.

MR. JACOBY: I think we had something like that discussion yesterday. I will ask the question over the objection. The objection is on the record.

BY MR. JACOBY:

Q. After the new partner had come in, whom did Metallgesellschaft think it had taken in as a new partner? A. Well, if you mean Metallgesellschaft, the top management was of my opinion, that we had dealt with I. G. Farben, respectively Badische.

Q. Did your understanding as to who was this new partner change between the time the new partner came in and 1931? A. No.

MR. WILSON: I object for the same reasons.

BY MR. JACOBY:

Q. During that time, did Metallgesellschaft's understanding of who was the new partner change? A. Well, the top

management, to say that again, shared my opinion that we dealt with I. G. Farben, respectively Badische.

Q. Was the admission of the new partner preceded by

17586 negotiations? A. Yes.

Q. Who conducted these negotiations? A. Well, partly I conducted them; partly Euler on our side, and the other side there was Mr. Schmitz.

17587 Q. Prior to the admission of the new partner, did you discuss the admission of a new partner with Mr. Greutert? A. Yes, of course we did.

Q. Dr. Merton, you have testified that you intended to admit Badische or Farben, respectively, as a new partner. You have also testified that after you had admitted the new partner you thought that you had admitted Badische or Farben, respectively.

On the other hand, you have stated that the contract describing the name of the new partner, which, as you say, must have existed, described the name as Visca.

Dr. Merton, do you now want to change any of your testimony? A. No.

* * *

17590 Dr. Merton, you have stated, previously that you admitted Badische, respectively, I. G. Farben, as a new partner.

MR. WILSON: He didn't say that, sir.

MR. JACOBY: He didn't?

MR. WILSON: No. He said he thought and understood that they were coming in, but he told you that Visca was the

17591 party to the agreement.

MR. JACOBY: Could you (addressing the reporter) please read—

MR. WILSON: Don't let me go back. Go ahead and develop it again if you want to.

MR. JACOBY: I think that is an important question. I ask the reporter please to read—

MR. WILSON: It must be sixteen pages back.

MR. JACOBY: It is a long time back. It is the early part of the entire line of questioning.

MR. WILSON: Why don't you ask him again now, Mr. Jacoby? Pick it up and ask him if—

MR. JACOBY: Mr. Wilson, if you want to object to the question—

MR. WILSON: I just don't like to see you take the time to go back 16 pages and hunt for something.

MR. JACOBY: I think it takes much less time than our discussion.

Could you (addressing the reporter) please go back and read the question and answer about two or three questions after the introduction of Document 461?

THE REPORTER: Another reporter was here at that time, Mr. Jacoby.

MR. WILSON: Well, I have got an exact quote: "Whom did you think you took in as a new partner?"

17592 MR. JACOBY: I am talking about much earlier questions.

MR. WILSON: That's the quote.

MR. JACOBY: Earlier than that.

MR. WILSON: I have only the substance of that, before which was his testimony that he intended to take in Badische and Farben.

MR. JACOBY: I am talking about testimony earlier than that.

MR. WILSON: That came directly after, "Was there a written document taking in Badische and Farben into Greutert?"

MR. JACOBY: Before that.

MR. WILSON: That's where you began with that line of questioning.

MR. SCHWARTZ: Mr. Yudkin has some notes, Mr. Jacoby.

MR. JACOBY: I will try to read off his notes.

Well, from the notes I see that Dr. Merton in substance testified that the original partners—that means the partners

named in the original partnership agreement—remained until Badische came in. Then I asked Dr. Merton, "When did Badische come in?" and he said, "About 1926."

MR. JACOBY:

Q. Dr. Merton, is that correct? A. That is what I recollect.

MR. JACOBY: So I think that answers—

MR. WILSON: No. Then came next the question—

17593 MR. JACOBY: We are not talking about the later question.

MR. WILSON: All right. Go ahead.

BY MR. JACOBY:

Q. Dr. Merton, you have testified that the original partners named in the partnership agreement remained the only partners until about 1926 when Badische came in. On the other hand, Dr. Merton, you have later on testified that the contract which, as you say must have existed, that that contract, according to your recollection, described the new partner by the name of Visca. Therefore, I ask you, Dr. Merton, which of your two statements is in accordance with the fact? The statement that in 1926 Badische came in? Or, your subsequent statement referring to Visca? A. Well, I can't answer that in short with "no" or "yes."

Q. No. Go ahead; answer it the way you please. A. We had never any dealings with anybody else as with gentlemen of Badische, and I can't even remember having met anybody who represented Visca. And, to my mind, and the minds of my colleagues in Frankfurt, Visca was just one of the many names under which Badische, respectively, the I. G., appeared.

* * *

17616 Q. Dr. Merton, before the sale of Metallgesellschaft's interests in the firm Greutert, did you discuss the proposed sale with Mr. Euler? A. Sure, I did.

Q. Did you discuss it with others in the Metallgesell-

schaft? A. I am sure it was discussed in the top management of Metallgesellschaft, as all important matters were.

Q. Were there negotiations preceding the sale? A. There were negotiations. I can remember this one pretty well. It is not too far back.

I remember that I took, mainly, part in the negotiations.

Q. And who else took part in the negotiations? A. Well, let us see—definite negotiations which

17617 lead to results—I went for that to Berlin, to see Mr. Schmitz, and I negotiated with Mr. Schmitz.

Q. Who else was present at the negotiations? A. Well, nobody, as far as I remember, nobody of our gentlemen.

Mr. Schmitz had his office in Berlin, in Laenderbank, and I went to see him there. I remember that very vividly.

And, there were some gentlemen present, who supported Mr. Schmitz in details—I don't remember their names too well. I think there was a man present called Lederer, who was a lawyer, but I wouldn't say that too definitely.

There were several men present, I remember that, and I negotiated a definite deal with Mr. Schmitz, in the Laenderbank. Going over there, in the Pariserplatz, I remember that very well.

Q. Was Mr. Mollwo present at those— A. No.

Q. —negotiations? A. No, not to my memory.

Q. For what price did the Metallgesellschaft sell?

Mr. Wilson: Wait just a second, Doctor, please. (Short pause.)

Mr. Wilson: You may proceed.

Mr. Jacoby: Could you please read back the question I asked before Mr. Wilson stopped us?

17618 (The pending question was read by the reporter.)

The Witness: Well, my recollection was, even before I read that, that it was about twelve million francs, something like that.

By Mr. Jacoby:

Q. To whom did the Metallgesellschaft intend to sell this participation? A. By understanding was that—

Mr. Wilson: I want to make the same objection that I have heretofore, to that kind of a question.

Mr. Jacoby: Could you please repeat the question?

(The pending question was ready by the reporter.)

By Mr. Jacoby:

Q. You may answer. A. My impression and my understanding was that we were selling to Mr. Schmitz; to I. G. Farben, represented by Mr. Schmitz.

Q. Dr. Merton, after the sale was completed, to whom did you think that the Metallgesellschaft participation had been sold? A. To Farbenindustrie.

Q. Dr. Merton, I would like to call your attention to the fact that the contract says that the participations were sold to Mr. Carlo Mollwo.

I also call your attention to the fact that you have
17619 just testified that you thought you were selling to I. G. Farben. A. Well, we never would have sold to Mr. Carlo Mollwo, if we had not known that he was doing it for Farbenindustrie, because Mr. Mollwo had no means to pay up so much, to pay up anything like this.

Q. I call your attention to Section 3 of document, Petitioner's Exhibit 21-2711. I hand you, Dr. Merton, the original, and I would like for you to read that section, Section 3. A. (After complying) Yes.

Q. Have you finished reading it? A. Yes.

Q. I call your attention specifically to the last clause of the second paragraph of that Section 3, which in translation, reads:

". . . on the other hand Mr. Mollwo undertakes to indemnify Messrs. Dr. Alfred Merton and Rudolf Euler and protect them from litigation fully and including all

and every part of the liabilities connected with their limited participation."

A. Well, I never would have agreed to this, nor, definitely, Mr. Euler, who was a very careful man, if we had not known that Mr. Carlo Mollwo was only a figurehead for I. G. Farbenindustrie.

17620 I would not have agreed to remain a partner longer, if it had been Mollwo.

* * *

17635 MR. JACOBY: Document 1939.

I hand to the reporter for identification Department of Justice document number 1939.

(The document referred to was marked as Petitioner's Exhibit 27-1939 for identification.)

BY MR. JACOBY:

Q. Dr. Merton, I show you original of the document which is marked Petitioner's Exhibit 27-1939, and ask you to read it. A. (Witness complies.)

Q. Did you finish reading it? A. Yes, I did.

Q. I call your attention to the handwriting at the end of the letter. Do you recognize the signature? A. That is the signature of Mr. Greutert, "Eduard Greutert and company."

Q. Now, Dr. Merton, after you have read document, Petitioner's Exhibit 27-1939, do you now recall a purchase of 3,000,000 common shares of American I. G. Chemical Corp., by the firm Greutert, during 1920 to 1931? A. No, I don't.

Q. Dr. Merton, I show you again document, Petitioner's Exhibit 27-1939, and call your attention to the fact that in the document the firm Greutert requested the American I. G.

17636 Chemical Corp. to transfer out of 3,000,000 common B shares, standing in the name of Greutert, 450,000 shares to Greutert.

Did you read that? A. Yes.

Q. Now that you read that, do you now recall whether, at any time, between 1920 and 1931, you ever learned in any way, from any source whatsoever, of the firm Greutert acquiring 450,000 shares of American I. G. Chemical Corp. B shares, out of a larger holding standing in the firm's name? A. I cannot recall anything of the kind.

MR. JACOBY: I offer document, Petitioner's Exhibit 27-1939, in evidence.

MR. WILSON: And I take it, with the same qualification or explanation that you made to me when I inquired of your offer of 26-1595.

MR. JACOBY: That is correct. Document 1321.

I hand to the reporter for identification, original and photostat of document, Department of Justice number 1321, a document which is in the English language.

(The document referred to was marked as Petitioner's Exhibit 28-1321 for identification.)

BY MR. JACOBY:

Q. Dr. Merton, I show you the original of the document, Petitioner's Exhibit 28-1321. A. Yes.

17637 Q. I call your attention to the handwriting which follows the words "yours truly." A. That is, again, the signature of, "Eduard Greutert and company" in Greutert's handwriting.

Q. Now, Dr. Merton, that you have read document, Petitioner's Exhibit 28-1321, does it now come back to your mind, whether at any time between 1920 and 1931, you ever learned of the firm Greutert acquiring 400,000 common A shares of American I. G. Chemical Corp., and 3,000,000 B shares of that corporation? A. I can't remember anything of the kind.

MR. JACOBY: I offer document, Petitioner's Exhibit 28-1321, in evidence.

MR. WILSON: On the same explanation as the two next preceding documents, Mr. Jacoby?

MR. JACOBY: That is correct.

* * *

17745 **Deposition of Rudolf Euler**

* * *

17754 RUDOLF EULER was called for examination by counsel for the Petitioner and, having been previously duly sworn, was examined and testified as follows:

Direct Examination

BY MR. SCHWARTZ:

* * *

17756 Q. Will you please, Mr. Euler, describe your business career from the beginning, without too great detail, but so that we can appreciate the positions. A. I entered, in March—

Q. Mr. Euler, you are reading something that you have written? A. Yes, it is my own notes, so I won't make mistakes about the dates.

MR. WILSON: I don't mind.

THE WITNESS: You see, it goes so far back.

MR. WILSON: That's all right.

THE WITNESS: I entered in the services of the Metallgesellschaft on March 1891 as an apprentice.

By MR. SCHWARTZ:

Q. Will you go on, please. A. And I have been connected with the company for ever since, meaning for more than 57 years—of course, in different employs. I served my way up from an apprentice to ordinary clerk, to confidential clerk, to sub-manager, to manager, and now I am, I think, what you call vice

17757 president of the board. We call it Stellvertretender Vorsitzender des Aufsichtsrats.

Q. Can you give us the dates at which your titles changed? A. Well, let me see. I became a manager of Metallgesellschaft in 1902 or 1903, and I was asked to resign about 1943 because I was married to a full Jewish wife, and that, in Nazi times, was a thing you ought not to have done. So I had to retire from the management, but they took me into the Aufsichtsrat, board of directors, until the American troops appeared in Frankfurt, and at that time my former colleagues sent for me and asked me to take up again my activities.

They offered me the situation of president of the board, which I declined because I thought it proper to keep that place open for Mr. Richard Merton, who at that time had emigrated to England and whose return was expected. His father was the founder of the Metallgesellschaft or one of the founders.

Q. Let us go back for a moment. Can you give us the dates of the significant changes in your status between 1920 and 1943?

MR. WILSON: May I have one thing cleared up, Mr. Schwartz? I didn't quite understand Mr. Euler as to whether, in 1943, when he retired from the management, he stayed on

17758 the board of directors.

THE WITNESS: You see, we have two boards. We have the board of managers in Germany. Those are the active people. And we have a board of directors.

MR. WILSON: Yes.

THE WITNESS: They have only controlling and advisory function and only meet on special occasions. So, from the active part I had to retire into the supervising part, which is more decorations than anything else.

MR. WILSON: You remained on the board of directors from then on, sir?

THE WITNESS: I remained there until I joined the management again after your troops had arrived.

By Mr. Schwartz:

Q. Can you give us the dates of the changes in your positions or titles, the significant ones, between 1920 and 1943? A. Yes. I became a manager and from that time on I stayed a manager until I had to retire—

Q. I see. A. —from the management.

Q. Did you join different boards in the course of this? A. Yes, I joined any amount of boards in companies connected with our own enterprise, changing, of course,
17759 continuously as the case's necessity might be. This number of boards was considerably reduced when in the early Nazi years I voluntarily retired from the more important ones because it might be too dangerous for me if I had stayed there.

Q. Was your position with Metallgesellschaft in all these years only with the Metallgesellschaft or were you with the Metallbank and Metallurgische Gesellschaft? A. I was, at a certain time in the early years, manager of the Metallurgische Gesellschaft and I have been on the board of the Metallgesellschaft for several years, as far as I remember, until all these companies were merged, Metallurgische Gesellschaft, Metallgesellschaft and Metallbank.

Q. Were those organizations treated as one by the management of both of them? A. They were; that is correct.

Q. So your duties were with one or both or all of them together? A. Yes. It was, so to speak, one family.

Q. Who were the leading members of this group of corporations, the Metallgesellschaft, Metallurgische and the Metallbank? A. There were about four or five people. First of all, the two brothers Merton, Richard and Alfred Merton. For a time also Walter Merton, a third brother, was in the
17760 management, but he retired pretty early. The leading members were Mr. Schwarz, Georg Schwarz, and Mr. Karl Schaefer, and another member was Mr. Julius Sommer.

Q. You have mentioned a Mr. Richard Merton. Was he

one of these? A. Richard Merton was one of the most prominent, yes.

Q. Who were the most prominent members, say at about 1920, a few years after the end of the First World War? A. In 1920, Richard and Alfred Merton, the two brothers. You see, their position was a kind of legitimate position of crown princes while we were more self-made men.

Q. In about 1920 were you in such a position that you could be described as among the leading members of the management? A. Yes, that was the case.

Q. Now, I would like to make myself clear. When I talk of the Metallgesellschaft, I will mean any or all of those firms known as the Metallbank— A. The whole group.

Q. And when you talk of the Metallgesellschaft you will mean the same? A. Yes.

Q. Now, in about 1920— A. Yes.

Q. —did the Metallgesellschaft have any part in the
17761 founding of a firm known as Eduard Greutert et Cie.?

A. The Metallgesellschaft were the instigators of the foundation of, the formation of this firm.

Q. What kind of firm was it? A. After the World War No. I, international business became very difficult for several reasons. All the old connections had been broken off. In Germany we had a paper currency which was not worth the paper it was printed on. There was very great scarcity of foreign currency. And so it was very difficult, if not impossible, to do international business in Germany, from Germany. That is why we had the idea to create for our purposes an instrument, a firm, in a neutral country with the currency not shaken by the results of World War I.

That is why we made the Greutert firm, this firm at Basle, a banking firm, practically with Frankfurt's money.

Q. Now, when you say, "Our purpose was to form a firm," you are referring to Metallgesellschaft? A. To Metallgesellschaft group as widely as you want to take it.

Q. And when you say "Frankfurt"— A. "Frankfurt" always means our group.

Q. Your corporation? A. Our companies.

Q. Now, will you explain what you meant by "formed it

17762 with Frankfurt money"?

A. Well, if you wish to form a firm, this firm must have money at its disposal. The more money the firm has, the better it is generally considered. And since a firm was to be created for our purposes it was only natural that we had to put the necessary funds at the disposal of the firm.

Q. So it was money of the firm? A. It was money of the firm in Frankfurt.

Q. What kind of a firm was it technically, that is, corporation or such? A. It was what we call a Kommanditgesellschaft, that is, a firm of which a person is owner with unlimited responsibility, and partners furnishing additional funds, and those funds—and their liabilities were limited to those funds supplied by someone.

Q. And who were the group of partners in the firm? A. The group of partners were Metallgesellschaft and Metallbank, but its partnership was in the name of Mr. Alfred Merton and of myself for the account of the Frankfurt firm, with the small sub-participation of the private individuals.

Q. Will you explain what you mean by "the small sub-participation by the private individuals." A. It is—

Q. Will you please explain it, and if you find it necessary to refer to that, fine, Mr. Euler, but it might

17763 perhaps be better if you did not. A. Oh, okay.

Q. Incidentally—

Mr. Wilson: I don't mind, if it helps him at all.

Mr. Schwartz: All right.

By Mr. Schwartz:

Q. I would still prefer that you do it if you feel you can. If you want to refer to that thing you have written out, why that is all right, too, but try to remember, if you can.

Mr. Wilson: At this point, before he discusses sub-participation, Mr. Schwartz, in answer to your inquiry as to who

the partners were, he did not mention Mr. Greutert's name.

MR. SCHWARTZ: I have notes of things to ask him.

MR. WILSON: You are going on to sub-participation now.

MR. SCHWARTZ: I thought we might develop that and then introduce the third name. As you said, this is all preliminary and it doesn't matter very much.

BY MR. SCHWARTZ:

Q. Can you perhaps add the name of the third partner before you go on to sub-participations? A. Well, there was one Inhaber, owner of the firm. He was Greutert. The partners were the two Frankfurt firms,

17764 Metallgesellschaft and Metallbank, participation standing in the name of Mr. Alfred Merton and myself.

Q. And the sub-participati . was— A. Out of these Frankfurt shares, four gentlemen got a sub-participation: Mr. Richard Merton, Mr. Alfred Merton, Mr. Georg Schwarz, and myself.

* * *

17766 Q. Mr. Euler, a moment ago you spoke of "our purpose in forming the firm." Am I right in thinking that—let's put it this way: Before Metallgesellschaft founded this firm of Greutert, were there discussions within the firm with respect to the founding of Greutert? A. Certainly there were. We considered the matter. We considered the advisability of the foundation and, of course, we considered the people who were to handle that

17767 affair.

Q. And by "we" you mean— A. Especially the four people who always appear again, the two Mertons, Mr. Schwarz and myself.

Q. Once the firm had been founded, how active were you in the firm's affairs, the firm of Greutert? A. Meaning me?

Q. Yes, you, sir. A. Well, I have not been very active in the firm's affairs, but I was very active in supervising the affairs.

Q. And what did that supervision consist of? A. Well, the idea of the supervision was to avoid as many mistakes as possible, to see that no speculative or too risky things were undertaken, and to see that everything was ship-shape and in good order.

Q. Well, how, then, did you supervise the firm? What did you do? A. Well, I went occasionally to Basel, oftener than I liked, and had discussions and got Mr. Greutert to report to me verbally, explain things, show me statements. I discussed balance sheets and profit and loss accounts with him, and I continually discussed with him questions referring to the personal employees, their salaries, their advances in their career, and so on.

Q. Can you tell us something of the nature of Greutert's

17768 business in, say, the first year it was created? What kind of business did the firm do? A. It was rather vague because the thing was—we just had to find our way about. They principally served for certain transactions for account of the Frankfurt firm with other countries and in other currencies than marks.

Q. Did it serve any others than the Frankfurt firm in say the first year? A. Yes. Of course it was the idea that they should also work for other people, because in this way there was a better chance to raise the profits and to make the firm pay its way, because, of course, the thing started with expenditure, without having, at the same time, sufficient income.

Q. Well, then, did it serve others in the first year? A. It served others in a small way, increasingly. A good many of those clients later on dropped out; circumstances had changed.

Q. After the first year and in the next two years, say, was the business profitable? A. The business was profitable from the beginning, because we saw to that. You see, we could always make it possible to sell them things, shares, cheap,

which they might sell with a profit. So from the very beginning the results of the firm were satisfactory.

Q. Did the business increase, the amount of business
17769 done? Did it increase after the first year? A. It increased continuously by degrees.

Q. And did new customers come to use the services of the firm? A. Yes. There came new customers, private individuals and firms, who, like us, found the firm useful for international transactions.

Q. Did you have many new customers? Let me fix the time. Let's take a time, say, between 1921 and 1925. A. Well, I wouldn't say many. There were not hundreds, but there were probably dozens. But since you make it up to 1925, I must say that an important customer appeared, and that was what we called the Schmitz group. They brought new business, and large business.

Q. Were they more prominent as a customer—that is, did they bring more business than other customers? A. Certainly.

Q. What proportion of Greutert's business did this group account for in, say, the year 1924 and 1925? A. I couldn't give you a figure; I'm sorry.

Q. Approximately, perhaps? A. (No response.)

Q. Ten per cent? Twenty? Fifty? Seventy? A. I should say after a certain time it might have come to about half of Greutert's business, but that is just
17770 guessing.

Mr. Wilson: Does "a certain time" mean between 1924 and 1925—

The Witness: Yes, yes.

Mr. Wilson: —or later or earlier?

By Mr. Schwartz:

Q. What was the nature of this business brought by this group? What kind of business was it? A. Buying, selling, financing, giving loans, taking loans.

Q. Buying and selling what? A. Shares, bonds, buying foreign currency.

Q. You mentioned giving and taking loans. A. Yes.

Q. Who gave and who took? A. Both sides. Occasionally the one side gave and occasionally the same side took. It was exchanging according to the requirements of the different firms.

Q. Who represented this customer, this business? A. This business of the I.G. group?

Q. Yes. A. Of the Schmitz group?

Q. Yes. A. It was represented by Mr. Schmitz and, I think, by Mr. Roesch, R-o-e-s-c-h, one of Mr. Schmitz' understudies.

17771 Q. Who was Mr. Schmitz? A. Mr. Schmitz, whom I had known already about ten years before, was originally an employee of the Metallgesellschaft or the Metallbank. He was working at our offices and he was working for us in Spain and in France until the First World War. Then he—I don't know how you say it—he was called up; he had to go to the Army. He was wounded at an early stage, came to Frankfurt in a hospital.

After some time he was—he had recovered his health and then he joined a war institution in Berlin called the Kriegschemikalien Gesellschaft, War Chemical Company, a task of which company was to get or husband or distribute all important chemical articles during the war.

Q. And that is who he was, let us say, until— A. Until the end of the war. And this task gave him, of course, an enormous opportunity to get an insight in the general chemical situation, questions of supply and needs and so on, of Germany and the surrounding countries or states.

Q. Well, you have given us information on Mr. Schmitz until a certain time— A. Yes.

Q. —but at the time he represented this business, who was he then? A. What?

Q. When he represented this business done with Greutert

17772 in 1924 and 1925. A. Well, after the war, the Kriegschemikalien Gesellschaft ceased to exist. Mr. Schmitz became a free hand again. The natural developments would have been his returning to the Metallgesellschaft, his former employers, and we should, of course, have been quite willing to take him back again, but then the I. G. people or the Badische people, I think at the time, found him a very interesting man and so they approached the Merton brothers: Would they have any objection to Mr. Schmitz entering their services?

Well, we couldn't have any possible objection because we didn't own Mr. Schmitz, and so Mr. Schmitz followed the inclination of his heart and went to Mannheim.

Q. There are three names you have used of which I would like you to give us the full name. You have mentioned Badische people. What was Badische or Badische people? A. Well, the Badische people originally were a firm called Badische Anilin und Sodafabrik, if I remember correctly. This firm was one of about a dozen firms which began to have an agreement about joining hands. They were not merged, but they had joint interests and they evidently had a certain formula under which the total profits were distributed among these different firms. Later on they merged under the title of I. G. Farben.

Q. I see. And "I. G.," when you use it as "I. G.
17773 people," does that refer to I. G. Farben? A. You see, first is joint interests, and even then it was called I. G. Interessengemeinschaft, which means joint interests, and afterwards they adopted this name as the name of the merged firms.

Q. You also mentioned that Mr. Schmitz went to Mannheim or to Mannheim people. What is Mannheim? A. Badische Anilin und Sodafabrik—Badische, Mannheim-Ludwigshafen—that is where there was the main firm.

Q. So Mannheim-Ludwigshafen is a city? A. Two adjoining cities. You can't say where one begins and the other ends—at least, I couldn't.

Q. Was this business which Mr. Schmitz represented his business personally? A. It was I. G.

Q. No, I'm sorry. We were talking of the business that Greutert did. A. For their account, yes.

Q. And I think you mentioned that Mr. Schmitz represented this business, this customer. A. Yes.

Q. Now, was he representing himself personally? A. No.

Q. Whom was he representing?

17774 A. He was representing his group, for which he was a sort of minister of finance.

I can, perhaps, make things clearer. These people of the I. G. group were principally technical people, men of science, filled with the idea of their task, their technical task. But since this organism grew larger and larger, there were also other men required, men with more commercial spirit, men with financial experiences, and it seems to me that Mr. Schmitz became or was that minister of finance which the I. G., this large group, needed absolutely.

Q. You spoke of these people of the I. G. group who were technical men. A. Yes.

Q. Who were some of these people? A. Geheimrat Bosch was the most prominent of them.

Q. What was his position? A. I suppose general manager, and maybe later chairman of the board.

Q. Of what? A. Of the board of the merged company. But I am not positive about the latter point.

Q. What is it you are not positive of? His exact title? A. His exact title.

Q. And by the merged company you mean— A. —Badische Anilin und Sodafabrik, Hoechster Farbwerke,

17775 Casella, Agfa—I think it was a group of about a dozen.

Q. On the books of Greutert, under whose name was this business carried, this business for which Mr. Schmitz represented this group? Do I make myself clear? A. By dozens of different firms, syndicates, and maybe private individuals.

Q. And maybe what? A. Private individuals.

Q. When you speak of a syndicate, are you thinking of a particular German word for syndicate? A. No.

Q. What is a syndicate? A. A syndicate are people joining interests for certain purposes—mind you, I am not a legal man—with certain percentages. It is a group. But if I talk of syndicates I might just as well have said "Konsortium" which is a similar thing. It is also a group of people who voluntarily join for a certain purpose.

Q. Approximately how many of these names, this variety of names that you mention—approximately how many were there on the books of Greutert? A. I suppose dozens.

Q. Can you give us some of these names? A. I remember certain names, such as Visca, Spicca, but there were many, many others. You see, it is so long ago.

17776 And, of course, there were also firms like Laenderbank.

Q. Can you think of any others? A. Not at the moment.

Q. Did anybody else other than Mr. Schmitz represent this group in dealing with Greutert? A. Roesch did.

Q. Who was Mr. Roesch at the time this business was being done, say 1924 or 1925? A. He was a man, as far as I know, in the group of the Badische Anilin in the beginning, later of I. G. Farbenindustrie, who was a kind of understudy to Mr. Schmitz, and who seemed to have largely the confidence of Mr. Schmitz.

Q. What was his profession or occupation? A. I suppose he was a manager, at least in later years; and he was one of the men who had to attend to finance and forming companies and similar things; was not a technical man.

Q. You have mentioned that Greutert did a banking business and you have also mentioned that it took and gave loans with this group. Did this group also have other financial transactions, such as perhaps deposits? A. Surely.

Q. As you would in an ordinary bank? A. Yes, surely.

Q. Were these deposits large or small? Can you

17777 remember the amounts? A. If they were not very large in the beginning they were terrifically large in course of time, going into millions and millions of francs or dollars, not to speak of marks, because that was a question of billions or astronomical figures, due to the fact that the mark was—

Q. (Interposing) About when did it become, as you say, millions and millions, these deposits? A. Well, I should say around 1925, if not earlier.

Q. Can you remember the amount more exactly than just millions and millions? A. No; it is impossible; especially because the amount continuously changed. You see, it was like an india-rubber band, sometimes like that (indicating) and sometimes like that (indicating).

You see, for their purposes Greutert was a channel. He was not—he was a channel tube through which the different things went.

Q. Now, if I understand these banking terms my question will be clear, but I may not so you may not understand me. Were these deposits time deposits or call deposits? Do you understand? A. They occasionally were time deposits and occasionally were call deposits as the case might be.

Q. And do you remember whether they were largely or

17778 mainly time or largely or mainly call? A. No, they fluctuated; sometimes was one thing; sometimes the other.

* * *

17791 Q. Mr. Euler, a while back I asked you, and you did not remember, the exact figures of the amounts that the Schmitz group had on deposit with Greutert or that Greutert owed to them, the exact amounts of such obligations. A. Yes.

Q. After reading this—I think you also said that it came to many millions but you couldn't be more specific. After

reading this memorandum in your handwriting in 1925, does it come back to you as to the specific amounts?

17792 A. No.

Q. It does not? A. No.

Q. These deposits that Badische, the Schmitz group, had with Greutert— A. Yes.

Q. —what did Greutert do with that money? A. He lent it out partially, as is seen from that statement, or he might have bought something, or he might have paid debts which he had at other firms, and this was changing continuously. You see, it was not always less on the one side or less on the minus side. The thing changed continuously because it depended to a large extent on the requirements of the Schmitz group. The firm of Greutert was like a cash box for them.

Q. Like what? A. Like a cash box. They put money into it when they had it, when they had more money. They took money out of it when they had to buy certain things, pay for certain things. And that is why the picture was constantly changing and that, considering the enormous amount, was the cause why I continued to get uneasier and uneasier with every day. We never knew what might happen. We were always open to surprises.

* * * *

17797 Q. You say you had the impression, Mr. Euler, that moneys were deposited with Greutert by the Schmitz group with instructions to lend them out. How did you get this impression? A. Because it was part of the game. It was part of the game. It was part of the idea which made Greutert interesting for the Schmitz group. In other words, the fact that Greutert being a Swiss firm made it attractive to use him, as I said a few moments ago, as a tube through which the money from I. G. came in on the one side and went to some other firm connected with I. G. or having to do with I. G. purposes, so that he was only a go-between.

Q. And how did you learn or how did you get the impression that this was, as you say, the game? A. Yes, because

I. G. trusted enormous amounts of money to the firm of Greutert, of which they knew and must have known that he had no use for his own purposes. And you also see in his statements constantly on the one side I. G., and the other side people or syndicates connected with the I. G. group, in all these statements.

Q. What do you mean by that? Statements showing what?

17798 A. These statements showing the balances of the accounts. You see here money due to I. G. Ludwigshafen; money due, owed by such and such and such syndicate. This can only have been money which was given by the Schmitz group to Greutert with the idea, with the objective, with the instruction to give it to some other member of the group.

MR. SCHWARTZ: Does that satisfy you, Mr. Wilson?

MR. WILSON: I will ask Mr. Euler some questions about that on cross examination. I do not withdraw my objection about the impression.

* * *

17802 By MR. SCHWARTZ:

Q. Mr. Euler, before we were interrupted, you were going to give us the substance of a memorandum you wrote in April 1926 with respect to the contracts of the firm Greutert.

MR. WILSON: Is this his present recollection, Mr. Schwartz, or has Mr. Euler been shown this instrument since he arrived in this country?

MR. SCHWARTZ: Mr. Euler has been shown the instrument since he arrived in this country. I intend to distinguish very clearly between his recollection based on recent reading it and his recollection as of the time he wrote it.

By MR. SCHWARTZ:

Q. Mr. Euler, you said you remembered that you had written this document. A. Yes.

Q. Did you remember it based on your recent readings of it within the last few days, or did you remember back to the '20's that you had written a memorandum with respect to the contracts of the firm Greutert? A. I have not only seen this document here; I have
17803 already seen it on the other side. And I remember distinctly; not the date, but distinctly having severely and increasingly criticized Greutert's methods, which I considered dangerous, and there was a special point first why I considered it dangerous, and that may have some relation to a former question, because Mr. Greutert pretended that he had a guarantee from the Schmitz group that all accounts, debit and credit, could be reckoned up against one another. So that he, if he had lent money to a Syndicate X which belonged to the Schmitz group and which did not come in—it would not have been Greutert who lost the money, but it would have been the Schmitz group.

That was constantly a bone of contention between Greutert and myself because he was never able to prove, to bring out written confirmation of this declaration of the I. G.'s that the things could be reckoned up, one against the other.

Q. What connection has that problem with this memorandum about the contracts of the firm Greutert? A. Because this memorandum starts from the idea that Greutert, being hypnotized by the charm of the I. G., had lost all power of clear criticism and only saw the things rosy, all in one thing, the Schmitz group, plus and minus, and very often he was no longer so fully conversant with what actually went on.

I remember having written in the document that when I
17804 asked this or that question Greutert could not reply. He said—

Q. You said "Greutert"? A. Greutert could not reply because he said, "Mr. Haller knows all about it, but Mr. Haller is absent," and Mr. Haller was not available with this information.

Q. Is that the memorandum you think you recall as having written in April 1926? A. Yes, I think that is.

Q. Well, I am going to mark and present two documents, and I believe that you have made a slight mistake as to the date and after you read the two memoranda I am going to ask you which memorandum was which and which was written when.

This will take a few moments, so you can wait, Mr. Euler. A. Yes.

MR. SCHWARTZ: I would like to have marked Document No. 413.

(The document above referred to was marked for identification as Petitioner's Exhibit No. 5-413.)

MR. SCHWARTZ: And I would also like to have No. 461 marked.

(The document above referred to was marked for identification as Petitioner's Exhibit No. 6-461.)

MR. SCHWARTZ: You have seen No. 461 already, Mr. Wilson,
17805 the original. I will now pass you the original of 413.

By MR. SCHWARTZ:

Q. Now, because we are dealing with two memoranda, Mr. Euler, we will have to go very slowly and distinguish them and their pages and so on. I would like you to look at both these memoranda, 413 and 461. Read them in any order, first one, then the other, as you like. A. (After examining documents.) Yes.

Q. Now that you have read both these memoranda, first let's distinguish between them. We will call 413 the April memorandum and 461 the June memorandum. Do you recollect them both as memoranda that you wrote on the dates they show? A. I do.

Q. Do you recall, then, that you wrote these two memoranda? A. I recall that I wrote these two memoranda.

Q. Is your recollection based on having read them recently or do you remember independently that you wrote these memoranda. A. Well, I cannot remember independently every word of it, but I can remember the gist, idea, the tendency of this.

Q. I will just ask you some more questions about the memorandum itself. On 461, on page 10, there is some handwriting, and on page 12 there is some handwriting.

17806 A. This handwriting on page 10 and the handwriting on page 12 is my own.

Q. Now, on the first page of 461 there is— A. "Hr. Alfred Merton" is my handwriting.

Q. What does it mean? A. It means the thing has to go to Mr. Alfred Merton and this sign (indicating) is the sign that he has read it.

Q. That sign is a check sign, is it not? A. Yes, a check sign that he has read it.

Q. Was it customary in your firm, after having read a memorandum addressed to you, to mark it with such a check? A. A memorandum of such importance, yes, it was customary.

* * * *

17838 Q. Mr. Euler, this morning you were talking of a trip to Basle that you made in connection with the supervision of the firm Greutert and its business with the Group Schmitz. What did you learn on your trip to Basle? A. Which trip? That would have been what time, that it was made? I have made so many trips to Basle.

Q. All right, I will help you. It was a trip that I think you spoke of making in June of 1926. A. Yes.

Q. Does that help you any? A. Yes, I think I—well, I found on the occasion of that trip, I confirmed all of my ideas about the way the business was handled; finding with our friend Greutert that he had enormous confidence in Mr. Schmitz and attaching more impor-

17839 tance to his words than to any written document.

Q. Did you learn any particular facts as to the

way the business was going? A. I got the impression at that time that Mr. Greutert personally was not conversant with all details, that the thing had become too big for him and that he had to rely in many cases on these assistants, especially on Mr. Haller.

Q. Did you learn any facts with respect to the business being done? If you do not understand the question, why, please say so. A. No. The business was larger and larger and in consequence, in my opinion, the risks increased accordingly, because there was this chance, that as long as everything was turning out well it was splendid, but if something else was to have happened, it might have spelled disaster or at least serious losses.

Q. In view of your answer, I will try to help you as to the facts that you might have learned about. Did you learn anything about deposits of securities that Greutert had or was supposed to have. A. Yes, I certainly got that information, but I did not get a clear picture of the situation.

Q. Did you learn anything with respect to authority having been given to someone outside the firm to dispose of such deposits?

17840 A. I do not remember any authority having been given to other people by which they might have done that. There might have been something that automatically authorized—I can not know that—that depends on the nature of the business.

Q. How many persons outside of the firm Greutert—did you learn of them having any authority over Greutert's securities or Greutert's assets? A. I don't think so, no. I do not remember.

Q. Did you learn anything about corporations which had been organized by Mr. Greutert or of which he was a member of the supervisory board? A. I think I compiled such organizations, a list of organizations and syndicates of which Mr. Greutert had some connection, either through being a member of a board or secretary or something else.

Q. What did you learn about these corporations? A. Well,

I did not learn much about the corporation itself. You see, I could not. My hands, I had them all full through going into Mr. Greutert's business, and I had neither time nor inducement to go into the business of other people.

Q. Do you remember the names of these corporations about which you learned? A. Well, they were mostly like Visca, Providentia, and Fiduziar Gesellschaft; in things like that, it might mean

17841 anything.

Q. Do you remember any of the details that you might have learned about Visca, Providentia, and Fiduziar Gesellschaft? A. Well, I probably was given certain figures about shares, capital or about the business. There must have been a dozen people who came to me and I do not now recollect the details.

17842 Q. I would like you to read Petitioner's 6-461.

Mr. Schwartz: You remember, Mr. Wilson, this was marked earlier, and you had seen it on the Merton deposition.

Mr. Wilson: Yes.

By Mr. Schwartz:

Q. Will you please read that over? A. Yes, I remember that letter quite well. This is my handwriting.

Q. You told us about the handwriting this morning. Let me call your attention to two or three things in that now. A. Yes.

Q. Would you read carefully page 4 of this German text, the original?

(The witness examined the document referred to.) A. Yes.

Q. I would like to point out to you one sentence that begins "Charakteristisch ist . . ." A. Yes.

Q. And after rereading that sentence, does it come back to you that you learned anything with respect to persons outside the firm of Greutert having authority over Greu-

tert's securities or deposits? A. No, I do not remember it. I see it from this letter, but that has completely escaped my memory.

17843 Q. Can you tell us what you meant by Herren Sch. und R.? A. Schmitz and Roesch.

Q. Further down on that page there is a sentence that talks of 31 December—"So sind fur den 31 Dezember." A. Yes.

Q. Would you read that sentence?

(The witness examined the sentence referred to.) A. Just that sentence?

Q. Yes. Is that connected with the sentence above? A. Yes, in a certain way it is connected.

Q. Could you explain the meaning and connection? A. The meaning is—you see, it is a habit with banking firms to send an extract every six months or every year—at least for a given date—stating the deposits and stating the balance of the accounts, and so on. And here it is mentioned I. G. Konsortial Kontor and Providentia have recognized the correctness of the things to them, but there was no recognition regarding to things which Greutert was entitled to. Greutert had also deposits, but he had only recognizance of the things which he owed, but he did not have such things with regard to what was due to him.

Q. Is there any connection between that situation and the sentence that reads: "The firm of Greutert has

17844 given Messrs. Sch. and R. the power," and so on? A. No, I don't think there is any connection.

Q. Let us turn, Mr. Euler, to the latter pages of this memo. A. Yes.

Q. Where you have a statement of a corporate name and then certain information. A. Yes.

Q. Will you just look that over for a moment, please?

(The witness examined the document referred to.) A. Yes.

Q. I should like, Mr. Euler, to ask you some questions about these names which appear on page 7. A. Yes.

Q. I will ask you whether you knew at about the time this memo was written anybody by that name—and I will start with the name Michel. At that time did you know a Mr. Michel? A. I do not think so.

Q. Did you know a Mr. Bosch? A. Yes, I certainly knew him.

Q. Did you know the next name? A. The next name is evidently misspelled. I do not know Mr. Schluon, but I have known a Mr. Schuon, without the "L". He was a man of the Badische.

17845 Q. The next name? A. Julius. He was a man of the Badische.

Q. The next? A. Bueb. I have known him also. He was a man of the Badische, but I think he was residing in Berlin.

Q. And the next name? A. Schmitz. Hermann Schmitz.

Q. And the next? A. I didn't know him personally.

Q. The next is Krell. I just want to distinguish the name. Krell? A. No, no.

Q. P. Seidel? A. No.

Q. O. Seidel? A. No.

Q. Roesch? A. Yes, I know him, since he is often mentioned in the correspondence.

Q. Weibel? A. I do not remember.

Q. Gans? A. No; I think the name is misspelled. It ought to be Gaus. Gaus I have known; a man connected with I. G. Farben.

17846 Q. Heberlein? A. Well, there are several Heberleins in Basle. I knew a good many of them. It is a family of four or five brothers. I do not know which Heberlein it is, but it is very likely Ludwig. I met him once. I used to know the family.

The last one is Greutert.

There is an additional remark in this letter that the shares of the last two belong to the Fiduziar-Gesellschaft.

Q. Will you continue reading over the information beyond that point? Just glance through it to the end. A. Yes.

(The witness examined the document.) A. To this point (indicating)?

Q. No, beyond that point. Just glance through it again so that you can refresh yourself if it is possible. A. You see, I just put down—

Q. May I have it back now? Now, I would like to ask you, having read this information that you reported with respect to these corporations, how much comes back to you that you learned about these corporations on your trip to Basle? A. Nothing beyond what I put down in the note, because I tried to keep every information I had as fully as
17847 possible to Frankfurt.

Q. I didn't mean did you learn anything else beside what you wrote. I meant do you now remember, having looked this over, the kind of information you got about these corporations? A. None whatever. Just the names and these figures. And there is an end of it. And that, of course, connected with the idea and understanding that they all were parties of the big family.

Q. Can you remember, Mr. Euler, whether you learned the extent to which these corporations owned each other? A. No.

MR. SCHWARTZ: I offer in evidence Petitioner's 6-461. The last page seems to have gotten loose as Mr. Euler was handling it, and it will be loose, I suppose, from now on.

* * * * *

17859 By MR. SCHWARTZ:

Q. Mr. Euler, can you remember what names were suggested during the negotiations as to who might take the participation? The names that you remember, if you remember
17860 any.

A. At any time?

Q. During the negotiations. A. Yes. I remember the name of Eidgenoessische, and I remember the name of Visca, but—

Q. Are there any others that you remember? A. But at that time—

Q. What time do you mean? A. The time of this note.

Q. The time you wrote this note? A. Yes.

Q. February 18, 1926. A. I can not even say whether these names were suggested to me or whether they were just a speculation of my own.

Q. I was just going to ask you: Of the names you remember, who suggested these names—of the names you remember, mind you. A. Yes.

Q. Do you remember who suggested their names? A. I remember Eidgenoessische was suggested by Schmitz. I remember that the Visca was suggested by Schmitz. I do not remember that those names on the notes there were suggested by anybody or whether they were just my speculation as to possible buyers.

* * *

17903 Q. Mr. Euler, we have finished with these documents, and I would like to ask you some further questions. You have testified that in 1926 a new partner entered Greutert. Thereafter, after 1926, did you remain a partner in the firm Greutert? A. Yes.

Q. For about how long did you remain a partner after 1926? A. My firm?

Q. I suppose that you and your firm are the same for these purposes; that your Frankfurt firm and you are the same. A. Yes. For about five years.

Q. About five years? A. (Witness nodded affirmatively.)

17904 Q. What was the occasion for the departure of your firm from the firm of Greutert? A. The influence of the Schmitz group became too—

Q. No, I'd like to ask you a more simple question, and then we will go on to other topics. On what occasion, what event,—what caused—I'll tell you what; I think we will advance by a little leading question. Did you liquidate the

firm? Did you sell? What was the occasion for your leaving the firm? A. We sold.

Q. You sold? A. (Witness nodded affirmatively.)

Q. Before you sold, did you discuss that sale with other leading members of your Frankfurt firm? A. Certainly.

Q. For a long or a short period? A. I should say for rather a long term.

Q. What was the purpose of your firm—no—why did your firm sell its interest?

MR. WILSON: I object to that question upon the ground that why in his mind, in the mind of his colleagues, his firm sold is incompetent and immaterial.

MR. SCHWARTZ: We had the same question on the Merton deposition, Mr. Wilson. You may remember that our view was that his firm could have a mind only through him and

17905 his colleagues.

MR. WILSON: Yes.

MR. SCHWARTZ: We think he is very well qualified to tell us why his firm did anything.

MR. WILSON: I go further, you know, in my objection, and I make the point that even the thinking of the individual human beings in the firm is incompetent.

MR. SCHWARTZ: All right.

MR. WILSON: And immaterial.

MR. SCHWARTZ: In that case,—

MR. WILSON: I make that point because it might be the kind of objection that I must make on the record.

MR. SCHWARTZ: All right. Then we both know each other's views and objections.

By MR. SCHWARTZ:

Q. So, I ask you again, Mr. Euler, why did your firm Metallgesellschaft sell its interest in the firm Greutert? A. We no longer felt absolutely at home in the firm. Our influence had lessened enormously. The influence of the other party, due to the big business he was bringing to the

firm, had tremendously increased. And, besides, we had the feelings that we had not sufficient information about the transactions the firm made.

Q. Is there any other reason why you sold?

17906 (The witness shook his head negatively.)

Q. Was the sale preceded by negotiations? A. By extensive negotiations.

Q. Who represented Metallgesellschaft in those negotiations? A. Richard Merton, Alfred Merton and myself.

Q. Who represented the other side, the side to whom you sold? A. Hermann Schmitz.

Q. Was the sale accompanied by the signing of a contract? That is, was the sale done by the signing of a contract? A. A contract referring to the sale was certainly drafted and signed.

Mr. Schwartz: Will you please, Mr. Reporter, mark 23120?

(The document referred to was marked for identification as Petitioner's Exhibit No. 23-23120.)

Mr. Schwartz: Then, will you please mark 2711?

(The document referred to was marked for identification as Petitioner's Exhibit No. 24-2711.)

17907 Mr. Schwartz: I think you have seen 2711 before. Would you like to see it again? (Handing document to Mr. Wilson.)

Mr. Wilson: Mr. Schwartz, in the typewritten copy of 2711—

Mr. Schwartz: You mean what we call the original or the translation?

Mr. Wilson: No, the typewritten copy which you gave me of 2711.

Mr. Schwartz: We call that the original. Is that right? It is not our translation, is it?

Mr. Wilson: This is a translation.

MR. SCHWARTZ: In the translation, yes.

MR. WILSON: The one that you gave me applied to the deposition of Dr. Merton. If you will look on page 3, there is an error in the date.

MR. SCHWARTZ: The translation we have now may be correct. This is the translation that will accompany the document. Let's see if it is fixed up.

MR WILSON: I think it is still incorrect.

MR. SCHWARTZ: Shall we amend it now? That is 2711, isn't it? All right, the translation is amended to show that the first date on page 3 reads "August 28" and not "August 31." I'm sorry about that. It must have been a typographical

17908 error.

By MR. SCHWARTZ:

Q. Mr. Euler, I give you Petitioner's Exhibit 23-2210 and ask you to read it. A. (After examining document.) I have read the contract.

Q. Can you help us with the signatures on the last page? A. The first signature is the signature of Mr. Mollwo; the second signature is in the handwriting of Mr. Greutert for the firm Eduard Greutert & Company. The following signatures—

Q. Let's take the ones on the left. A. On the left is my signature and below my signature is the signature of Mr. Alfred Merton.

Q. And on the right? A. On the right is the stamp of the Metallgesellschaft with the signatures of Dr. Petersen and Mr. Sommer who are managers of the Metallgesellschaft.

Q. And below? A. And the last signature is the signature of Montaan Metaalhandel, Amsterdam, and the stamp Montaan Metaal, and the signature is the signature of Mr. Sommerhoff, manager of the Montaan Metaal.

Q. Thank you very much. In the translation we had not

17909 been able to make out that signature so we wrote, "Illegible," but you can make it out, can't you? A. It is the signature of Mr. Sommerhoff.

Q. What was N. V. Montaan Metaal? A. N. V. Montaan Metaal was a firm in Amsterdam connected with Metallgesellschaft.

Q. I give you, and will you please read, 24-2711. A. I hand you that back (handing document to Mr. Schwartz).

Q. Thank you. A. (After examining document.) I have read the document.

Q. Can you help us with the signatures on the last page? A. I can. The first signature is the signature of Mr. Alfred Merton; the signature to the right is my own; the following signature is the signature of Carlo Mollwo; the following one is the signature of Mr. Eduard Greutert; and the last two signatures are for Visca A. G. as the signature of Mr. Eduard Greutert and another signature which is not familiar to me, but which probably means Germann.

Q. All right. Thank you, Mr. Euler. Do you recognize these two documents as the documents by which you disposed of your partnership interest in the firm Greutert? A. I do; I do.

17910 Q. Now, one of them, Mr. Euler, 23120, purports to be a contract between all these people, Merton, Euler, Mollwo, Greutert & Company, Montaan Metaal, by which Messrs. Merton and Euler sell their participations in the firm Greutert to Mr. Mollwo. A. Yes.

Q. The other purports to be a document by which the partners in the firm recognize this sale and take in the new partner. A. Yes.

Q. I say that so I can distinguish them and then ask you questions about that state of affairs. Then these documents purport to be the documents by which the interest in Metallgesellschaft was transferred to Mr. Carlo Mollwo.

Before you signed these two documents, did you believe that you were disposing of your interest to Mr. Carlo Mollwo?

MR. WILSON: Wait a minute. I object to that question. I object to it because I think I must object to it at this point within the rules. His belief is immaterial.

MR. SCHWARTZ: And you know our position on that. We have introduced these documents; we are now attacking them.

By MR. SCHWARTZ:

Q. Mr. Euler, before you signed these documents, these two contracts, did you believe that you were disposing of your interest to Mr. Carlo Mollwo?

17911 A. We did not.

Q. To whom did you believe that you were disposing of your interests?

MR. WILSON: My objection goes to all this line of questioning.

THE WITNESS: We believed we were selling it to the Schmitz group.

By MR. SCHWARTZ:

Q. Did Mr. Carlo Mollwo represent the parties to whom you were selling? A. He did.

MR. WILSON: I move to strike that question and answer upon the ground that it calls for a conclusion of the witness.

MR. SCHWARTZ: All right, we'll do it some other way, Mr. Wilson.

By MR. SCHWARTZ:

Q. You have mentioned that the sale at this time was preceded by negotiations. A. Yes.

Q. And I think that you said you and Messrs. Merton represented your side and Mr. Schmitz represented his side. A. Yes.

Q. In the course of those negotiations, did you deal with Mr. Carlo Mollwo? A. Negotiating about the sale?

17912 Q. Yes, sir. A. No.

Q. Did you meet with anybody else representing

Mr. Schmitz' side other than Mr. Schmitz? A. Not for the deal. Mr. Roesch may have joined in certain conversations.

Q. In the course of your negotiations for the disposing of this interest, did you ever consider selling not to the Schmitz group but to someone else?

MR. WILSON: I object to that question as being immaterial and also as being incompetent.

By MR. SCHWARTZ:

Q. In the course of these negotiations, Mr. Euler, did you negotiate for the disposal of the partnership interest with anybody else than Mr. Schmitz representing the Schmitz group? A. No.

Q. Did you negotiate with the Industriebank, an organization called the Industriebank? A. We never negotiated with anybody else than Mr. Schmitz.

Q. All right. Please don't think I am being silly. I want to have it clear. A. Yes, yes, I fully understand the situation.

Q. Did you ever negotiate with the Eidgenoessische
17913 Bank in the course of these negotiations? A. We did not negotiate. We had talks with them about the execution of a contract and things like that, but we never negotiated. Terms and all these things were negotiated by Mr. Schmitz, with Mr. Schmitz.

Q. What was the connection of the Eidgenoessische Bank with these negotiations? A. At a certain time it seemed Mr. Schmitz' idea to have the sale made to the Eidgenoessische Bank.

* * *

17933 By MR. JACOBY:

Q. Now, Mr. Euler, I show you documents Petitioner's Exhibit 33-249 and Petitioner's Exhibit 34-251. Could you please read them. A. I have read the two documents. They are in Mr. Greutert's handwriting. They bear Mr. Greutert's signature. There are penciled remarks on the margin of the letter of April 16. They are in my own handwriting.

Q. Could you please explain the marginal notes in your own handwriting to us. A. Yes. The one is a sign of interrogation and the other means, "How long has he been with the firm and what did he get in December?" And then there is another mark, "Do," meaning "ditto," that is, the same. The one referred to Mr. Werder and the other referred to Mr. Sutter, so that this marginal note for Werder was repeated also with regard to Mr. Sutter, "How long has he been with the firm and what did

17934 he get? What bonification did he get?"

Q. You mentioned the term "bonification," Mr. Euler. What do you mean by "bonification"? A. It was a habit for our firm to give the employees a fixed salary, fixed beforehand so much per month, and give them at the end of the year an additional bonification, the amount of which the management fixed, depending or showing our gratification of their services. But also the amount of the bonification depended on the results of the firm. If the firm had no profit or little profit, the bonifications were smaller. If the results were splendid, the bonifications were greater, and if there was a chief like Mr. Greutert who had the welfare of his employees very much at heart, there was also a tendency to increase bonifications.

Q. You explained the marginal note in your own handwriting to us. A. Yes.

Q. And if I understood you correctly, you said you first put a question mark and then you stated, "What years of service?" and again a question mark. A. Yes. I wanted to know how long they had been with the firm and whether they had not got at the end of the year already a bonification which Mr. Greutert shyly had not mentioned.

Q. Now, could you take another look at the second

17935 letter which you just read, namely the letter of April 23, and tell us whether that is the information you desired to secure in your marginal note. A. Yes, that is a reply to my question. It says, "Mr. Werder has been with the firm since the first of April 1923 and in December he

got 550 francs bonification, Mr. Sutter has been with the firm since October 1923 and he got 500 francs in December."

That is a reply to my questions.

* * *

17965 By MR. YUDKIN:

Q. Again referring to this period of 1928 to 1931, did you learn of Greutert owning large amounts of shares of the American I. G. Chemical Corporation? A. I do not.

Q. Did you ever know of Greutert and Company owning a block of 400,000 common A shares of American I. G. Chemical Corporation? A. I do not either.

Q. Of a block of 81,000? A. I do not.

Q. A block of 3,000,000 common B shares? A. I do not.

Q. A block of 450,000 common B? A. I do not.

Q. Do you recall whether you ever knew during this period that Greutert and Company purchased 400,000 common A shares and 3,000,000 common B shares from the American I. G. Chemical Corporation? A. I do not.

Q. A purchase in which Greutert and Company paid $10,000,000 in cash and other blocks of shares in

17966 consideration? A. I do not know anything about those transactions.

MR. YUDKIN: I hand to the reporter for identification Document 1595.

(The document referred to was marked for identification as Petitioner's Exhibit No. 52-1595.)

By MR. YUDKIN:

Q. I ask you to read the original of Petitioner's 52-1595.

(The witness examined the document referred to.)

A. I have read that.

Q. I call your attention to the handwriting on the second page on the foot of it. A. It is the signature of Eduard

Greutert and Company for the firm. Eduard Greutert's signature.

Q. Having looked at that document, can you now recall that during the period between 1928 and 1931 the firm Greutert owned 400,000 common A shares of the American I. G. Chemical Corporation? A. I do not.

Q. Or 81,000 common A shares? A. I do not either.

MR. YUDKIN: I offer Petitioner's 52-1595 in evidence.

(The document heretofore identified as Petitioner's Exhibit No. 52-1595 was offered in evidence.)

17967 MR. YUDKIN: I offer to the reporter for identification Document 1939.

(The document referred to was marked for identification as Petitioner's Exhibit No. 53-1939.)

By MR. YUDKIN:

Q. I ask you to read the original of this last exhibit.

(The witness examined the document referred to.)

A. I have read it.

Q. I call your attention to the handwriting at the bottom of page 1. A. It is an abbreviation of the signature of Eduard Greutert and Company. Full signature on the second page.

Q. In whose handwriting is it? A. In Mr. Greutert's handwriting.

Q. On both pages? A. On both pages.

Q. Having read this document, do you now recall that the firm Greutert—whether you knew if the firm Greutert owned 3,000,000 common B shares of the American I. G. Chemical Corporation? A. Never knew anything about it.

Q. Or a block of 450,000? A. Not either.

17968 Q. That is, B shares of—(pausing)

MR. YUDKIN: I offer Petitioner's Exhibit 53-1939 in evidence.

(The document heretofore identified as Petitioner's Exhibit No. 53-1939 was offered in evidence.)

MR. YUDKIN: I hand to the reporter for identification Document 1321.

(The document referred to was marked for identification as Petitioner's Exhibit No. 54-1321.)

By MR. YUDKIN:

Q. I ask you to read the original of this last exhibit.

(The witness examined the document referred to.)

A. I have read it.

Q. Do you recognize the handwriting following the words "Yours Truly"? A. I do. It is the signature of Eduard Greutert and Company.

Q. In whose handwriting? A. In Mr. Greutert's handwriting.

Q. Having read this, can you now recall whether you knew of this transaction that is indicated in this document? A. No, I can not recall anything about this transaction.

* * *

17977 RUDOLF EULER resumed the stand and testified further as follows:

CROSS-EXAMINATION

By MR. WILSON:

* * *

17991 Q. I noticed in your testimony on Thursday, the first

17992 day, that you referred to the fact that you did sell, that is Metallgesellschaft did sell, securities to the Greutert firm cheaply so that he could make a substantial profit. A. Yes.

Q. What was the purpose of that? A. Well, these things were done in the beginning and—(after pause)—and it helped Greutert, it helped him to get along and to get

friends. And we had no special interest in the affairs, but we sold them so we would not get any profit, for taxing purposes, it would lower our income tax if he were sold the securities cheaply, we found that to be good.

Q. And you were strengthening the financial stability of the Greutert firm, too? A. That is so, that is absolutely correct.

Q. And I take it that was a course or habit that was pursued whenever the occasion presented itself? A. Quite so.

Q. The object being that the stronger it was, the better it would be? A. Right.

Q. And whenever you had occasion to turn business that way, that was one of the hopeful motives of doing that? A. Quite so.

Q. And that remained so throughout your relationship with the firm?

17993 A. Indeed, as long as he was practically the only owner, and would have if he had continued to discharge the participation, we would have made it go on.

Q. You still picked up the 50 percent? A. Yes, the 50 percent but it was less than—

Q. Yes, but even half a loaf is better than none, isn't it? A. Yes. But, you see, the inducement was not so great.

Q. I can see your point of view about that, but the inducement was nevertheless there to some extent? A. It might have been.

Q. And you continued? A. Not on any scale.

Q. You mean by that, Mr. Euler, that after 1926 that you largely ceased sending business to Greutert's firm? A. Not business—but we ceased to make presents.

Q. You still had an interest in the Greutert firm making profits, didn't you? A. Certainly, certainly.

Q. And was it a matter of business jealousy, let us say, that you were not going to make a present to some other participant? A. Well, how shall I put it? Greutert then was the chief one, and where we could put things to him

we did, so long as we felt it was to our good, too, it was good for him and
17994 good for us, and it did not make any material difference; but whenever shares had to be paid to Visca or any other, well, the situation was quite different, we then had no right to make presents whatever, because it cost the money of the Metallgesellschaft.

Q. Did you continue to send business to Greutert? A. Oh, yes.

Q. And would you say that from 1926 to 1931 you were sending business to Greutert? A. As much as we could.

Q. Was it substantial or had it dwindled to a very small amount? A. Well, our possibilities from it had considerably decreased in the course of years, and we were living, shall I put it, in the shadow of the other partner, if you will, and they were constantly increasing.

Q. There were times when you estimated that you matched the business from the other partners, so-called, about evenly, you remember you—. A. That was at the very beginning, yes.

Q. When you say "very beginning," you mean several years? A. Quite so.

Q. In the greater portion of the five-year period from 1926 to 1931, was there any substantial business being given or sent to Greutert by the Metallgesellschaft?
17995 A. I should not think very substantial.

* * * *

18006 Q. I take it, Mr. Euler, from your explanation to Mr. Schwartz at this point, that you used the phrase "Badische" and "Schmitz group" interchangeably. A. Quite so.

Q. And do I also conclude that you used both of them as figures of speech, rather than as specifically descriptive of an entity? A. Quite so. It was not the legal statement; it was just, as you say, a phrase of speech.

Q. And when you said "Badische" you did not necessarily mean Badische Anilin und Sodafabrik? A. No, I meant the group.

Q. The group. And therefore, would it tend to more accuracy if we abandoned the figure of speech "Badische" and phrased it "Schmitz group"? A. Well, it might be an advantage because "Badische" seems to point to—

Q. One corporation? A. —a certain corporation, while it was used by us in the sense of the group.

18007 Q. Yes. I thank you very much. Now, then, taking up the phrase "Schmitz group"—. A. Yes.

Q. —you say there again that was a kind of figure of speech? A. Yes.

Q. And you didn't mean particularly to identify any corporation? A. No special corporation because we never knew who, in whose name at the time Mr. Schmitz was speaking.

Q. Yes. Now, there did come a time when it was pretty well known in Germany what organizations comprised I. G. Farbenindustrie, wasn't it? A. Yes, yes.

Q. And that was a consolidation or merger or some kind of tying together, I think you said yesterday, of perhaps a dozen different corporations or businesses. A. Yes, yes, yes.

Q. But here again, in your use of "the Schmitz group" you don't mean to nail it down definitively to I. G. Farben? A. Well, since I. G. Farben practically comprised the whole group, it is equivalent of our expression "Schmitz group."

Q. Yes, but you knew, Mr. Euler, did you not, or you had a general impression, that Herman Schmitz might have had

18008 business connections even outside of the Farben know of organizations? A. Well, outside of the I. G. Farben organization we mean separate companies, but always in our opinion connected in some way with I. G. Farben.

Q. Businesswise connected, not necessarily controlled, you mean? A. Not necessarily controlled.

* * *

18016 Q. Do you remember who was the director, the general manager, I mean? A. I talked with Mr.

Wolfensperger. He was the manager of the Eidgenoessische at that time.

Q. You do know that Mr. Wolfensperger had been a friend of Mr. Greutert's, do you not? A. Yes, I know that.

Q. And that there came a time when they were closely associated in business? A. That is possible, yes.

Q. And you don't know but that there were intimate confidences between these two gentlemen? A. I do not know anything about that. But I have known Mr. Wolfensperger at the time when he was in Frankfurt.

18017 He was managing a bank in Frankfurt.

Q. But you have no reason to question the existence of a close relationship between Mr. Greutert and Mr. Wolfensperger? A. I cannot deny it.

* * *

18020 Q. I mean to say: after the three of you had determined that you would withdraw, sell out, you indicated to Mr. Greutert—first, you indicated to Mr. Greutert, did you not, that you were deliberating upon the question? A. Well, it was not so that we were first deliberating about the question before an opportunity offered. We could not tell Mr. Greutert, "We are getting tired of this affair and we want to clear out." We discussed the matter when an opportunity arose at the horizon, this opportunity having, of course, only been the Schmitz group.

Q. Is it not a fact that you as well encouraged that opportunity, that you had gotten impatient? A. Quite so.

Q. And wanted to get out? A. Quite so. We felt uncomfortable.

Q. And you made contacts looking toward the creation of that opportunity? A. Well, we might have. We might have created the contacts by complaining, expressing the feeling that we felt uncomfortable, by asking questions which made people

18021 uncomfortable and so on.

Q. Then discussions began about the terms of the transaction and how it would be worked out and whether

somebody would assume your debit balance as a part of the buy-out purchase price; isn't that so? A. There were all kinds of possibilities discussed and drawn up, and finally this arrangement was brought about, which must be in the files, which is no longer conversant to me in detail, and it was for us—it brought out the important question for us on account of these foreign currency debts of the Metallgesellschaft. Any time a law in Germany might have been issued by which we were no longer allowed to pay such a debt or to dispose of foreign securities, a thing which had already happened once, and then we would have, for the second time, been in a terrible situation vis-a-vis of Switzerland.

Q. And there you were in Switzerland with a debit balance of 11 million and an investment in the operation— A. Yes.

Q. —and this was a good time—. A. —to be out.

Q. —to balance one against the other and get out of the picture. A. With a profit.

Q. Sure, it made good sense. And that was the 18022 motivating cause of the situation? A. That's right.

Q. And after the idea opened up—. A. Yes.

Q. —you then began to discuss these things with Schmitz and with Greutert. A. Yes.

Q. And there were times when the three of you would meet together, and—is that right? A. Mostly either the one or other.

Q. Sure. You would be in Basle talking to Greutert— A. We would be in Basle talking to Greutert; in Berlin or Frankfurt we would talk to Schmitz.

Q. And you would be talking about the same thing, once to one person and once to the other? A. Quite so.

Q. And maybe sometimes, if Greutert came to Frankfurt—or maybe it would be in Berlin—the three of you would get together and talk? A. It is not excluded—.

Q. No.

MR. SCHWARTZ: Will you let the witness finish his answer.

MR. WILSON: I thought he had.

MR. SCHWARTZ: Let's have the question and answer read
18023 back and then, of course, you can add anything you were going to add.

(The question and answer referred to were read by the reporter.)

THE WITNESS: It is not excluded, but it is not very probable. You see, Mr. Greutert in those negotiations was not important in deciding anything. The Schmitz group was the contemplated buyer and Frankfurt was the contemplated seller.

By MR. WILSON:

Q. But you didn't know that Mr. Greutert wasn't a part of the Schmitz group, did you? A. I didn't know—I didn't know whether Mr. Greutert was a part of the Schmitz group?

Q. Yes, sir. A. I do not think that Mr. Greutert would have had a deciding or decisive influence with the Schmitz group.

Q. That is just an impression of yours? A. It is just an impression of mine.

Q. You could be wrong about it? A. I could be wrong, but it is unlikely.

* * *

18035 Q. At the start of the various visits that you made to Basle in—let's take up the early years first—. A. Yes.

Q. —you became critical, after a bit, of the manner of doing business? A. (Witness nodded affirmatively.)

Q. Risk-wise, let's say? A. Yes.

Q. But it's true, is it not, that you found that the business was being managed and operated at Basle by these gentlemen? A. Yes.

Q. And you found no one other than the Greutert office,

let's call it? Greutert, Mollwo, Haller, Sutter, Werder, and other clerks?

18036 A. Yes.

Q. You found no one other than those gentlemen, and perhaps some lady clerks running the business? A. Yes.

Q. You found no stranger interposition? A. No.

Q. You found no evidence of stranger interposition? Is that correct, sir? A. No.

Q. Now, did there come a time when Mr. Richard Merton was not on good terms with Mr. Greutert? A. No, I can not say that. They always have been on very good terms with Mr. Greutert.

Q. You all were on about the same kind of terms? Or was there more intimacy between Mr. Greutert and one of you than the others? A. No, no. Certainly not.

Q. The three of you did put your heads together in criticism of the way he was doing business? A. We did, yes.

Q. And was there occasion for that kind of criticism in the year 1923? A. When was the firm founded?

Q. 1920. A. Perhaps not yet.

18037 Q. As a matter of fact, near the end of 1923 you had come back from Basle loaded with information, hadn't you? A. Yes.

Q. And you had previously gotten a good deal of information? A. Yes, we always got a good deal of information.

Q. In those days you hadn't begun the criticism of Greutert's methods of assuming risks, had you? A. That's true.

Q. Up through the year 1923 had you and your colleagues—I mean Messrs. Merton and perhaps Mr. Schwarz; perhaps not; I don't know—had you put your heads together in criticism of Greutert? A. Occasionally, just as when we criticized everybody who was working for us. It was part of our duties to form an opinion about the executives and how people handled their affairs.

Q. But at that point the criticism might be spotty? A. Yes.

Q. And in relation to individual incidents? A. Quite so.

Q. And not in regard to a policy? A. Yes. If I may add at this occasion, we never doubted during all these years for a minute Mr. Greutert's honesty, integrity and good will.

18038 Q. Thank you, sir. And even in retrospect you feel the same way about that, don't you? A. Surely.

Q. Looking back? A. Surely. It had absolutely nothing to do with the man. It had only to do with the methods—my criticism.

Q. Well, as the years went on and the criticism of his methods multiplied, did all of you apply some kind of epithet to him at the time he was being criticized? A. Never, never. I might criticize Mr. Greutert at four o'clock in the afternoon and might have dinner with him at his house in the evening in all friendship and esteem.

Q. How can you account for the fact that Mr. Richard Merton called him a very foul name? A. Well, Mr. Richard Merton is a very temperamental gentleman and inclined, well, to be very colorful in his expressions. I should—if I may give advice—I would not in any way overrate these lines he wrote here. Perhaps Mr. Richard Merton, when signing such letter jointly with me—(glancing at the document referred to)—yes, jointly with me—had the feeling that he ought to do something extra after all the work I had done, and so he furnished this expression in a letter written to his brother.

Q. Well, if he felt that way about it at the end of 1923, when things were fairly serene, what did he say about

18039 him in the later years when you began to criticize methods? A. Yes. Well, you see, sometimes people get sharp about small things and remain less sharp about bigger things. It's just like living together in a house. There can be constant nagging over small things, and at the end you agree over a big deal.

Greutert in his endeavor to look after the interests of his employees, in his endeavor to see that his position was sufficiently recognized, and that Mr. Mollwo's situation was

fully recognized, took occasionally a bit too much of our time. And in these years we had our hands and heads full with more important things than the question of whether Mr. Mollwo should get a thousand francs more a year or whether a house should be bought for him and rented to him at so many francs or so many francs. And when we got those long letters from Basle, all written in good faith and just to protect the interests of the people for whom Mr. Greutert was responsible, well, we occasionally got impatient.

* * *

18077 Q. Is it your testimony that the Greutert firm did
18078 no business at all with any entity outside the Schmitz group of the same character of business that it did with the Schmitz group? Have I complicated that? A. No, I think I understand what you mean. My answer would be: With the exception of the Metallgesellschaft.

Q. But, Mr. Euler, you testified this morning that you were not familiar with the business transactions of Greutert in the late '20's. A. Not with all of them.

Q. And, therefore, isn't it true that you can't be certain that there were not customers or clients of Mr. Greutert outside the so-called—outside your conception of the Schmitz group—with whom Mr. Greutert did the same kind of business that he did for the individuals within the Schmitz group?

MR. SCHWARTZ: Are you sure, Mr. Euler, that you understand that?

MR. WILSON: Let me restate it to make it clear.

MR. SCHWARTZ: I don't know if anybody could.

By MR. WILSON:

Q. It seems to me to work out as a matter of common sense. From 1928 to 1931 you said you did not know all of Greutert's customer's didn't you? A. Yes.

18079 Q. And you did not know all of Greutert's transactions? A. Yes, that's true.

Q. And, therefore, simply stated, you don't know the character of the transactions about which you have no knowledge? A. I can not say about the character of things of which I have no knowledge.

Q. Of course not. So, you can't say that those transactions were like the Du Bary transactions or whether they were like the so-called Schmitz group transactions, can you? A. No, I can't. But may I add something?

MR. SCHWARTZ: Please.

THE WITNESS: See, in business, psychology plays a certain role, and from the point of psychology it was absolutely understandable that Greutert did these complicated sort of business with the Schmitz group, but it would not have been plausible or likely that he would have done similar business with somebody else.

* * *

18261 **Deposition of Josef Schmitz**

Direct Examination by Mr. David A. Wilson, Jr.

* * *

18273 Q. And what was the date you first went with Farben Fabriken? A. 1914.

Q. Will you trace briefly the different positions you held with Farben Fabriken Bayer and later I. G. Farben. A. As far as Farben Fabriken is concerned, I already outlined them. As I said, I was a correspondent with Farben

18274 Fabriken, and in 1926 I. G. Farben was created through merger. In 1926 I was shifted from Leverkusen to Hoechst-on-the-Main, Hoechst Farben Fabriken, together with a part of the pharmaceutical department.

Q. What were your duties at Hoechst? A. The same tasks I had in Leverkusen. In 1926 a procurist, meaning an employee authorized to sign for the company, and I were

transferred to Hoechst, and we took with us the internal German pharmaceutical business and a part of the foreign business.

(Discussion off the record.)

Q. How long did you hold such a position in Hoechst? A. That was until October, 1928. In October, 1928, the entire pharmaceutical department went from Hoechst to Leverkusen.

Q. When you went back to Leverkusen, did you keep the same position you had had the previous years in Hoechst? A. Yes.

Q. What was the next position you held with either Farben Fabriken Bayer or I. G. Farben? A. In, I am not sure whether it was October or November I became an employee with limited authority to act for the company, a Handlungsbevollmaechtigter, for I. G. Farben.

(Discussion off the record.)

Q. What year was that you became an employee with limited powers? A. 1928.

18275 Q. What were your duties in this position? A. They were the same that they had been up to then, meaning that I had a part of the Germany business under my care.

Q. Was that pharmaceutical business only? A. It was pharmaceutical and temporarily there was included in it exterminator business, meaning plant preservatives.

(Discussion off the record.)

MR. WILSON: Read the answer.

(The answer referred to was read by the reporter:)

Q. Do you mean the preserving of vegetation? A. Yes.

Q. Were your duties in connection with the selling or production or if neither just what were your duties, the rest?

MR. CARMODY: I object to the question on the ground that it is leading.

A. Selling.

Q. Were you always connected with selling? A. Yes.

Q. How long did you hold this position of employee with limited power? A. In 1930 I was transferred as manager of a pharmaceutical office in Cologne.

Q. Was this a separate office, separate from Farben Fabriken in Leverkusen?

18276 A. (The witness shook his head negatively.) It was a sales office of Leverkusen. The I. G. Farben had a number of sales offices throughout Germany which on their part had direct connection with the customers and physicians.

* * *

Q. When you say Leverkusen, do you mean Farben Fabriken in Leverkusen? A. Yes, that is to say, later on the I. G. Farben in Leverkusen.

Q. What were your duties in the office in Cologne? A. I was the manager of the office, and my primary duty was the management of the commercial affairs and the fostering of relations with wholesalers, dispensaries, druggists, and beyond that of course the management of the whole internal setup.

Q. Approximately how many products were handled by you in this office? A. The pharmaceutical products, you know. How many it is difficult to say. It may have been a hundred or two hundred. I don't know any more.

Q. How long did you hold that position? A. April, 1933, March or April, 1933.

Q. After that what position did you hold?

18277 A. After that I was recalled, namely, to become chief of a department, Central Department F.

Q. You were recalled to where? A. To Leverkusen.

Q. By that you mean the Farben Fabriken Bayer and later I. G. Farben in Leverkusen? A. Yes.

Q. What was the year that Farben Fabriken Bayer became I. G. Farben?

MR. CARMODY: Just a minute. I object to the question because if there were a merger then the official record is the best evidence and not the testimony of this witness. A. 1926.

Q. What department were you put in charge of when you came back to Leverkusen from Cologne? A. The department was established at that time.

Q. What were the functions of the department?

MR. CARMODY: Just a minute. I object to the functions of the department. It is incompetent, immaterial, and irrelevant. The question is limited to what were the functions of this witness. I think that is an entirely different matter.

MR. WILSON: The witness has already stated he was called back to be put in charge of this department. Accordingly he is entirely competent to testify as to what the functions were. I think that since he was in charge of the department it is material in establishing his background and his worth

18278 as a witness.

MR. CARMODY: His worth as a witness or as an employee?

MR. WILSON: As a witness. Will you read the question back.

(The question referred to was read by the reporter.)

A. In various department, in sales department of the pharmaceutical division there were individual firms which were considered as participations and individual ones of these participations were brought into the Department F so that they could be handled there independent of the sales departments.

Q. Will you explain, please, what you mean by partici-

pations. A. Participations were in this case firms in which the I. G. held the capital either in its entirety or partly.

Q. How many participations were transferred to Department F? A. Well, in 1933 there was the firm of Curta. That is one.

* * *

18282 Q. After 1933 were any other participations assigned to the department of which you had charge? A. Yes.

Q. Will you tell me what these firms were. A. Injecta Berlin, Theraplix Paris.

Q. Will you spell that, please. A. T-H-E-R-A-P-L-I-X.

Q. Were any further companies assigned to this department?

MR. CARMODY: I object to the question, and I wish counsel would state what he means by companies being assigned to the department.

MR. WILSON: The witness has previously said that in 1933 a group of companies which he characterized as participations were assigned to Department F. I am now asking him if any further companies were assigned to Department F, and we will later take up whether they were participations.

MR. CARMODY: Assigned by whom?

MR. WILSON: We will take that up, too. I might add that he has already said that Department F was a part of I. G. Farben, Leverkusen.

Read the question.

(The reporter read the question referred to.)

A. Yes.

Q. Name them, please.

MR. CARMODY: Can we fix a time, please?

18283 MR. WILSON: The time is after 1933.

MR. CARMODY: When after 1933? That is 16 years ago or 17 years ago.

MR. WILSON: Strike the pending question.

By Mr. Wilson:

Q. When was Injecta Berlin assigned to this department? A. 1941 or 42.

Q. When was Theraplix assigned to this department? A. I believe also around 1941 or 42.

Q. Were any further companies assigned after 1933? A. Yes. I can't recall the name offhand. What was the name again? Oh, of course, Chimicom.

Mr. Carmody: The witness has said that he cannot recall the name. Right now anything else would be purely volunteer, and I respectfully submit that he has answered the question.

Q. Were any companies assigned to this department in 1934? A. Chimicom, Societe Commerciale et Chimique, Paris. (A short recess was taken.)

Mr. Wilson: Read back the last question and answer.

(The reporter read the question and answer referred to.)

Q. The name you gave was Chimicom Societe Commerciale et Chimique. Is that all one name? A. No. The official name is Societe Commerciale et Chimique, Paris. The Chimicom is just an abbreviation.

Mr. Wilson: From now on we can refer to that company
18284 as Chimicom.

* * *

18287 Q. What was the name of the department to which all these companies were assigned? A. What do you mean? What department?

Q. I mean the department of I. G. Farben in Leverkusen. A. Central Department F. Special Department F. Central Department F and once it was Special Department F.

Mr. Wilson: Read the answer.

(The reporter read the answer referred to.)

Q. When was it Central Department F? A. I don't know any more whether it was first this and then the other or the other way around.

Q. When was this department created?

MR. CARMODY: Which department?

MR. WILSON: The previous question. Department F.

MR. CARMODY: You are talking about Central Department F or Special Department F?

MR. WILSON: I believe it was the witness's answer it was named one at one time and the other at another time and he doesn't remember which came first. That is the way I remember the answer.

MR. CARMODY: And you are asking him when this department was created, and I want to know when this department was created.

18288 MR. WILSON: Central Department F or Special Department F, which are the same thing according to the witness's answer.

MR. CARMODY: Go ahead. A. As I said before, 1933.

Q. How many people worked in the department? A. Besides me four to five people? Q. What were the functions of the department?

MR. CARMODY: I object to this question on the ground that the records of Farben are the best evidence, if I understand what counsel means by functions of the department.

MR. WILSON: Go ahead. Put the question. A. We had a controlling function over the departments. We were informed of the development of turnover. We were informed of the costs, expenses for promotion. A part of our function was to transfer from one to the other production experiences. We had to support, promote, those firms, but it was the purpose to preserve as far as possible the independence of those firms. They were all legally independent enterprises.

(Discussion off the record.)

MR. CARMODY: At this point counsel for the plaintiff objects to the translation given by the official translator and claims that the witness used the German word "ueberhaupt" and we contend that this word means "completely" and that the witness's answer would thus read, "They were legally completely independent undertakings," or "enterprises."

(Discussion off the record.)

MR. WILSON: Counsel for defendant agrees that the German
18289 word used by counsel for the plaintiff is the word used by the witness; however, I wish the record to show the context in which the word was used. That context is, will the reporter please record the German.

(Interpreter reads, "Die waren ja ueberhaupt juristisch selbstaendige Unternehmen.")

MR. CARMODY: We agree that the German which has been given by the translator to the reporter is the same as that used by the witness in answer to the question.

MR. WILSON: Will the reporter read back the entire answer. Read the question and answer.

(The reporter read the question and answer referred to.)

By MR. WILSON:

Q. In the last answer you said that Department F had controlling functions over departments. What do you mean by departments? A. Departments. I mean those firms, not departments.

Q. And what do you mean by those firms? A. Well, take for instance Curta. That is a firm.

MR. WILSON: In view of the witness's answer, I am going to have to ask him a leading question.

Q. Do you mean by these firms the firms you have told us were assigned to Department F? A. In a certain respect,

perhaps, not, yes, because they were and were supposed to work independently in the main.

MR. WILSON: In view of that answer I am going to have to ask another leading question.

18290 MR. CARMODY: I don't know what counsel means by "in view of that answer." The witness has answered the question, and I will object to any more leading questions.

MR. WILSON: I will answer this by saying the witness obviously doesn't understand the questions.

MR. CARMODY: I think counsel obviously doesn't understand the witness's answers or doesn't want to.

MR. WILSON: Counsel is trying his best to understand the answers and is trying to have the record show. This record will be read by a third party.

By MR. WILSON:

Q. Mr. Schmitz, you save said that Department F had controlling functions over departments. I simply want to know were the departments to which you were referring the list of companies which you had given us as those which were assigned to Department F. A. Which firms were those, if I may ask?

Q. Chemosan-Union, Chemiewerk Hamburg, Drugofa.

INTERPRETER: Ask them one at a time.

Chemosan-Union. A. Yes.

Q. Chemiewerk. A. The answer is Chemiewerk Hamburg in Frankfurt.

Q. Drugofa. A. Yes.

Q. Degesch.

18291 A. That was no more for us. That Degusa had.

Q. Curta. A. Yes.

Q. Injecta. A. Yes.

Q. Theraplix. A. Yes.

Q. Chimicom. A. Yes, Chimicom. Chimicom was not a participation.

Q. What sort of records did Department F keep? A. Cor-

respondence, balance sheets, promotion lists, meaning lists of promotion costs, correspondence with abroad, meaning from those firms. By that I mean correspondence concerning the foreign business of those firms. Well, those were the records which we got from those firms.

Q. Were those records sent you regularly? A. Yes.

* * *

18292 By Mr. Wilson:

Q. Was a separate file kept for each of the companies which you have said were assigned to Department F? A. Yes.

Q. Did Department F correspond with these firms? A. Yes.

Q. Did these firms correspond with Department F? A. Yes.

Q. Did they address their correspondence to Department F?

Mr. Carmody: Just a minute. I object to that question. It is leading and indefinite.

Mr. Wilson: Put it.

A. Yes.

Q. Who made up the balance sheets which were kept by Department F? A. The firms.

Q. Did Department F investigate the correctness of the balance sheets? A. We checked them and then also passed them along to the bookkeeping or legal department.

Q. To what legal department or bookkeeping department? A. The Farben Fabriken Leverkusen, that is to say, later the I. G. Farben, Leverkusen.

Q. Were copies kept in Department F? A. Yes.

Q. Who set up Department F? Who created Department F? A. Well, set up. I set it up.

18293 Q. Did some other person instruct you to set up Department F?

Mr. Carmody: I object to that question. It is manifestly

immaterial, calls for hearsay, and is otherwise objectionable. It is incompetent and irrelevant. A. Yes.

Q. Who?

MR. CARMODY: I object on the same grounds.

A. Mr. Mann.

Q. Who was Mr. Mann? A. The chief of the pharmaceutical sales division.

Q. The chief of what pharmaceutical sales division? A. Of the entire.

Q. The entire what? A. The entire pharmaceutical division. I don't know what.

Q. Of what was this a division? A. I. G. Farbenindustrie.

Q. Who decided what companies should be assigned to Department F?

MR. CARMODY: I object on the ground that it calls for a conclusion on the part of the witness and it is incompetent. It is immaterial.

A. Mr. Mann.

Q. To whom were you responsible as head of Department F? A. Mr. Mann.

* * *

18306 Q. You told us yesterday, Mr. Schmitz, that one of the firms assigned to Department F was Chimicom. When did you first hear of Chimicom? A. 1934.

Q. What were the circumstances? A. I was put in charge of the care of that firm.

Q. What were your duties with respect to Chimicom? A. In the first place products were created which were assigned to Chimicom.

Q. What sort of products? A. Pharmaceutical products.

Q. For what purpose were they assigned to Chimicom? A. For manufacture and sales in France.

* * *